



**Islamic Law in Pakistan / Proposal Splits a Society****'Will This Lead Us to Another Taliban?'**By Pamela Constable  
Washington Post Service

**I**SLAMABAD, Pakistan — To some Pakistanis, the imposition of Islamic law holds out the promise of a just, egalitarian society free of corruption, bureaucracy and vice. To others, it raises the specter of amputated hands, flogged backs and women permanently relegated to purdah, or life behind a veil.

Since Friday, when Prime Minister Nawaz Sharif announced a legislative plan to make Islamic rules a fixture in Pakistani law and government, people here have talked of little else. And that, say Mr. Sharif's opponents and a variety of observers, is just what he had in mind: a bombshell to distract the nation's attention from more urgent crises in the economy and foreign policy.

Under Mr. Sharif's proposed constitutional amendment, the federal government "shall be under an obligation to take steps to enforce the *Sharia*," referring to the Islamic code of justice that is a prominent feature in such strict Muslim societies as Saudi Arabia and Afghanistan.

In Pakistan, human rights groups and women's groups have quickly condemned the plan. They warn that it will further set back the rights of women, who already face widespread domestic abuse and discrimination here, by institutionalizing their status as invisible and inferior.

"Will this lead to another Taliban?" asked Shabnam Bokhari, director of the Progressive Women's Association, referring to the radical Islamic militia that controls most of neighboring Afghanistan. The association assists hundreds of Pakistani women who have been burned or mutilated by their husbands. "If Sharia is imposed, how can they say women will be safe? At home, behind a veil, where they can be burned or killed with no recourse?"

**M**SR. SHARIF and his aides assert that their agenda is different: to clean up a notoriously corrupt and inefficient state system, to establish a fairer distribution of wealth in a deeply impoverished country and to bring the practices of both business and government into conformity with the ideal of a moderate Muslim society. Their three-page 15th Amendment, they said, is only a statement of principles that would have to be fine-tuned by the legislature.

"This is not Taliban," Information Minister Mushtaq Hussain, a key Sharif adviser, said in an interview. "This is not a throwback to fundamentalist extremism. This is a long-standing demand of the people. The average Pakistani feels he has no access to justice, that crime and corruption are rampant."

"We are trying to establish a new ethos, a new political culture, and we are doing it by democratic and parliamentary means."

This week, front-page government advertisements appeared in most newspapers urging people to "join hands to make Pakistan a strong and just society free of barbarity and lawlessness."



Girls studying Koranic verses in Pakistan, where the prime minister has called for adopting the Sharia.

There is little doubt that such rhetoric resonates with many. In bazaars, bank lines and bus stations, Pakistani complaints of police officers who extort rather than protect, price increases that squeeze the poor, laws that do not apply to the rich and glacial bureaucracy and officials open to bribery.

The tension between politics, law and Islam dates to this nation's birth in 1947, when the Islamic Republic of Pakistan was created as a homeland for the Muslims of British India at the end of the colonial era.

But many Pakistanis express dismay at what they regard as a disparity between the country's title and its reality.

In interviews this week, ordinary citizens tended to praise Mr. Sharif's initiative as a potential cure for what they see as the moral malaise of the country, although many doubted it would succeed. Others said they wished the government would focus more on the stumbling economy and the tangled fate of relations with neighbors and foreign creditors.

"We congratulate Nawaz Sharif for his efforts to make Pakistan a truly Islamic state," said a sign handwritten in Urdu hanging in a pharmacy window.

"We have so many problems — fascism, corruption, bureaucracy," added the pharmacist, who gave his name as Usman. "I'm not sure this effort will succeed, but I hope and pray that Pakistan becomes a Muslim state."

**B**UT NADEEM Ramzan, 31, who sells video games in a bazaar, said he did not think Islamization would accomplish much — especially since the vast majority of Pakistanis already are practicing Muslims who believe in the Koran as much as in civil law.

"We don't need a proper Islam, we need a proper Pakistan," Mr. Ramzan said. "We are all Muslims living in a Muslim state. The problem is that in 50 years, none of our leaders have set the country right. They have just divided up the pieces, while we keep falling off the bottom steps and all our taxes go into their pockets. If Sharif says bring more Muslim rules, I say, 'Let us see them on his own neck too.'

Pakistan is not only a Muslim state, legal experts and opposition leaders point out, but also has an Islamic constitution and a dual system of Sharia and civil courts as well as a British-style parliamentary democracy.

In fact, critics of Mr. Sharif say there is no need to bring Islam into the law — only to enforce it more fairly and swiftly and to set a better example from the top.

They assert that his true purpose is not to clean up a corrupt system but to gain tighter control over it, emasculating the Parliament and judicial system while strengthening executive power.

"This is designed very nakedly to concentrate all authority and power in the prime minister's office," said Aitzaz Ahsan, the opposition leader in the National Assembly. "It would make him a super-constitutional monster."

Although Mr. Sharif's aides said the proposal would be developed through Parliament, Mr. Ahsan noted that it would allow the executive to issue orders that neither courts nor legislators could contest.

"In effect," he added, "this would repeal the constitution and require Parliament to dissolve itself. It would be a disaster."

Similar criticism has come from all corners of Pakistan's establishment, which largely views itself as modern and moderate. Some officials of Mr. Sharif's own party, the Pakistan Muslim League, oppose the amendment. Even more surprisingly, some Muslim religious leaders also have condemned Mr. Sharif, saying that he is using Islam as a political device rather than seeking genuine change in society.

"He is in the midst of so many crises at once, so he is taking cover under the pretext of Islamization," said Qazi Hussain Ahmad, leader of the Jamaat-i-Islami, a Muslim political party. "We want to build an egalitarian Islamic society, but it can't be done through promulgating laws, only through education and the example of the leading class."

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**Lord Rothermere, Press Baron, Dies**By Sarah Lyall  
New York Times Service

LONDON — Viscount Rothermere, 73, one of the last of Britain's great press barons, who helped transform the Daily Mail from a listless money-loser to a highly successful tabloid aimed at a growing middle class, died on Tuesday at St. Thomas's Hospital in London.

He had a heart attack, according to Vyvyan Harmsworth, the director of corporate affairs for Daily Mail and General Holdings Ltd.

Born into a newspaper-owning family and a world of upper-class privilege, Lord Rothermere came late to his calling, taking control of the Daily Mail and General Trust, the parent company of the Mail and numerous other newspapers, from his ailing father in 1971.

It was then that he made the bold and risky decision to change the Mail from a broadsheet to a tabloid newspaper, going after young professional women readers and the country's conservative-minded middle class.

"He inspired the revolution in mid-market papers in

the past 20 years," Lord Hollieck, group chief executive of United News and Media, the company that owns the Express newspaper, the Daily Mail's main competitor, told the Press Association on Wednesday.

"Lord Rothermere was the quintessential proprietor, passionate for his papers, robust in his views and commercially courageous."

In addition to the Daily Mail, the colorful and outspoken Viscount Rothermere was the proprietor of the Mail on Sunday, which he founded in 1982, the Evening Standard and a large group of regional newspapers around Britain, among other properties.

He was also an amateur poet and a student of Zen Buddhism who, when once asked what class he belonged to, answered "nobleman."

At the age of 71, he proudly announced: "I am a playboy."

With newspaper holdings estimated to be worth \$1.7 billion, Lord Rothermere was also one of a dying breed of rich, powerful newspaper proprietors who once ran most of London's newspapers as the jewels in their media empires.

**Finns Spot the Balloon**

Agence France-Presse

TURKU, Finland — A huge runaway Canadian weather balloon, which has stayed aloft for more than a week and disrupted跨-Atlantic air traffic, was spotted Wednesday over southwestern Finland. Finnish air controllers said.

The balloon was believed to have gone down in the Arctic on Monday, as no sightings had been reported. But air traffic controllers in Turku observed the silver, helium-filled balloon shortly after sunrise Wednesday.

The balloon is reported to be traveling rapidly at a height of about two kilometers (1.2 miles). A Finnish Air Force jet was following the balloon's movements, officials said.

Turku air traffic controllers said the massive object did not currently pose a danger to air traffic.

The balloon, designed to measure ozone levels, began its errant escapade Aug. 24, when it launch from a site near Saskatoon, Saskatchewan, went awry.

The balloon is 100 meters (330 feet) tall and has a surface area that would cover five football fields if stretched out.

Two Canadian CF-18 fighter pilots fired more than 1,000 machine gun rounds at the balloon over Newfoundland last week but failed to bring it down.

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**Angola Faces Renewal Of Civil War as Unity Government Unravels**By Suzanne Daley  
New York Times Service

JOHANNESBURG — Even as Angolan troops are busy propelling up the neighboring government of Congo, prospects for peace in Angola seem to be diminishing.

In suspending the unity government, Mr. dos Santos's party said recent clashes in the countryside had provided

UNITA had failed to disarm.

UNITA has claimed that it no longer has any kind of army. But diplomats estimate that it still has more than 30,000 well-trained and well-armed guerrilla fighters.

In the spring, there appeared to be little left to do to complete the Lusaka Protocol. The government of national unity had been formed, most of the districts had been turned over to government officials for administration, and thousand of UNITA soldiers had been demobilized.

But the accomplishments were more paper victories than real ones.

Clashes continued throughout the country, and as the time came for UNITA to give up its pivotal strongholds, the rebel leaders balked.

But many analysts said they feared the country was sliding into an undeclared war. In recent weeks the government has reported increasing clashes in the countryside, including a battle in the northern province of Malange that apparently left 200 dead.

The creation of the government of national unity last year was in many ways the linchpin of the peace process, which has dragged on for far longer and cost far more than anyone expected. The United Nations has spent more than \$1 billion on peacekeeping in Angola.

"What we are seeing is the gloves coming off again," said Richard Connell, a security analyst in South Africa with the Institute for Security Studies.

"It all looks very dangerous."

After more than 20 years of civil war that left most roads cratered, most industries destroyed and millions dead, Angola has been hovering somewhere between peace and war for more than three years.

At stages, both the government, headed by President Jose dos Santos, and UNITA, the Portuguese acronym for the National Union for the Total Independence of Angola, have been fanned for foot-dragging on the peace accord.

But in the last year, international observers held UNITA responsible for delaying the final stages of the 1994 accord, the Lusaka Protocol, and the United Nations imposed sanctions, including travel restrictions, on UNITA leaders.

Last week, UNITA issued declarations that lashed out at the United States,

Russia and Portugal, the three countries that had official "observer" status in the peace process. The rebels said they would no longer deal with those countries because they had disqualified themselves "by not observing the criteria of neutrality and balance in their activity."

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UNITA officials said the newly installed government administrations were harassing and even killing its supporters throughout the country. In some cases, diplomats said, the claims were true.

The government had set Monday as a deadline for UNITA to turn over all territory. That did not occur.

In a statement Monday, the government said recent clashes had proved that UNITA had "violated the constitution of Angola, the law of political parties and the Lusaka Protocol."

Some analysts said they believed the two sides were gearing up for more sustained clashes and that even the government excursions into Congo were really more a question of its wanting to flush out UNITA rebels, who are holed up on the Congo side of the border, than support for President Laurent Kabila.

A return to open warfare could mean more years of fighting, analysts said. Neither side is deemed to have the military power to annihilate the other. Although there are some well-trained and well-equipped regiments in the Angolan Army, many soldiers are conscripts who have not been properly trained or paid. And the government faces the difficulty of fighting an elusive guerrilla force.

Angola won its independence from Portugal in 1975 and immediately plunged into a civil war, fueled by Cold War interests.

# Renewal is Unity Unravels

## Judge Hints at Clinton Contempt Charge

By John F. Harris  
*Washington Post Service*

**WASHINGTON** — The federal judge who presided over the Paula Jones sexual harassment lawsuit against President Bill Clinton has raised a prospect she might hold Mr. Clinton in contempt of court because of apparently misleading answers about his relationship with Monica Lewinsky.

Judge Susan Webber Wright of U.S. District Court said in a ruling issued Tuesday in Little Rock, Arkansas, that she had "concerns" Mr. Clinton might have deceived her, in light of his acknowledgement last month of an "inappropriate" relationship with Ms. Lewinsky.

In his Jan. 17 deposition, Mr. Clinton denied having had "sexual relations" or an "extramarital affair" with the one-time White House intern, and he professed not to remember whether he had ever been alone with her.

The impact that Judge Wright's new concerns could have on a case she dismissed in April remained murky. The usual legal recourse against people suspected of lying under oath is to prosecute them for perjury, not to hold them in contempt of court.

The independent counsel, Kenneth Starr, is already investigating whether Mr. Clinton committed perjury in the Jones case.

Judge Wright did not expand on her cryptic reference, buried in a footnote of her ruling, to a possibility that she

could hold Mr. Clinton in contempt, nor did she say how or when this possibility might be explored.

At a minimum, some experts suggested, the reference might be meant to signal her ire at having been misled in a deposition she supervised.

The order she handed down was in response to requests from news organizations and Mrs. Jones that Judge Wright reverse her earlier decision to keep most of the testimony under seal.

The judge in essence split the difference, agreeing to make public nearly in entirety transcripts of the depositions by Mrs. Jones, Mr. Clinton and an Arkansas trooper, Danny Ferguson, but rejecting requests or the videotape of Mr. Clinton's testimony be released from her gag order.

The most striking thing she said, however, was in Footnote 5: "Although the Court has concerns about the nature of the president's ... deposition testimony given his recent public statements, the court makes no findings at this time regarding whether the president may be in contempt."

### ■ Secret Testimony

Don Van Natta Jr. of *The New York Times* reported from Washington:

In a secret meeting with prosecutors last week, Monica Lewinsky answered additional questions under oath that were intended to highlight any discrepancies between her grand jury testimony and the

swoon testimony given by Mr. Clinton, two lawyers familiar with the inquiry said.

Afterward, prosecutors told the former White House intern that it was the last time she would be required to answer questions in connection with their investigation of the president, the lawyers said.

The two-hour meeting was held Aug. 26 at the offices of the independent counsel on Pennsylvania Avenue, just a few blocks from the White House. The questioning was recorded by a stenographer, possibly to be shared with grand jurors in the future.

Ms. Lewinsky appeared for the second time before the grand jury Aug. 20.

That same day, Linda Tripp, a former colleague of Ms. Lewinsky's who testified for eight days before the grand jury, also met with prosecutors at the independent counsel's office to answer follow-up questions, the lawyers said.

The prosecutors' behind-the-scenes, last-minute meetings with their two most important cooperating witnesses represent another sign that Mr. Starr is nearing comple-

tion of a widely expected report to be forwarded to the House of Representatives.

Two lawyers familiar with the inquiry said that the report most likely would be completed by the end of September. At that point the House Judiciary Committee will be obligated to consider whether impeachment proceedings are warranted.

In the question-and-answer session last week, Ms. Lewinsky was asked a series of specific questions about sexual encounters she had had with Mr. Clinton in the White House.

Her responses go directly to the heart of Mr. Clinton's television-link grand jury testimony Aug. 17 from the White House. The president said he had had "inappropriate intimate physical contact" with Ms. Lewinsky but he declined to be specific.

Mr. Clinton insisted that he had not lied in his deposition in the Paula Jones sexual misconduct lawsuit, the lawyers said. For that reason, prosecutors have asked Ms. Lewinsky very specific questions about her encounters with the president, the lawyers said.

## Clinton Critic Is Self-Revealing

**WASHINGTON** — Representative Dan Burton, the Indiana Republican who is one of President Bill Clinton's harshest critics, has taken the unusual step of telling reporters that he and his wife have been separated three times during their 38-year marriage.

Mr. Burton was trying to preempt what he called a "scandal story" by a *Vanity Fair* writer, although the magazine has not even scheduled the article for publication.

The chairman of the House Government Reform and Oversight Committee, which has been investigating Mr. Clinton's campaign fund-raising, also said at town meetings in Indiana on Monday that he believed Mr. Clinton's supporters had been spreading personal rumors about him in an attempt at intimidation.

Rahm Emanuel, a senior White House adviser, denied the charge. "We have our disagreements with Congressman Burton," he said. "But we never have and never will discuss or be involved in his private life." A *Vanity Fair* spokeswoman, Beth Kseniak, called the charge "totally ludicrous," saying, "There is no reason any *Vanity Fair* story would be orchestrated by the White House." (WP)

## POLITICAL NOTES

Representative John Linder of Georgia, the chairman of the National Republican Congressional Committee, which is sponsoring the campaign with the Republican National Committee, said that while the commercials would probably not mention Mr. Clinton directly, many would focus on honesty and integrity in government.

Mr. Linder said that in the last two weeks, since Mr. Clinton acknowledged having had a relationship with Ms. Lewinsky, polls in several congressional districts have shown that issues like crime and education are being supplanted by ethics as a chief voter concern. (NYT)

## You May Not Have Won a Prize

**WASHINGTON** — Lawmakers and law-enforcement officials have proposed a series of tough measures to reduce what they described as deception and fraud in the multi-billion-dollar sweepstakes industry.

The steps ranged from prohibiting envelopes designed to look like official government documents and strengthening civil and criminal penalties to requiring large-print disclosures on the face of every sweepstakes envelope specifying that it is a contest and that the recipient has not won automatically.

There are no records of how many people are victims of fraudulent sweepstakes operations or misled into making unnecessary purchases by legitimate contests. But witnesses before a subcommittee of the Senate Committee on Government Affairs described numerous instances in which people had been duped into believing they had won prizes.

Richard Barton, senior vice president of the Direct Marketing Association, which represents 3,700 direct-marketing companies, said that studies had shown that 11 percent of Americans bought products in response to sweepstakes promotions. (NYT)

## Republicans Will Stress Ethics

**WASHINGTON** — In the first indication that the Republican Party intends to make President Clinton's relationship with Monica Lewinsky a central campaign issue, the party introduced a multimillion-dollar advertising drive Tuesday in which a leading message will be ethics.

The advertisements, mostly on television, will be placed in selected congressional districts around the country. The theme of the first of them: "Honesty does matter."

## Ickes Investigation Is Started by Reno

### Independent Counsel Could Result

By Roberto Suro  
*Washington Post Service*

**WASHINGTON** — Attorney General Janet Reno has taken the first step toward seeking an independent counsel to investigate whether Harold Ickes, a principal architect of President Bill Clinton's 1996 re-election campaign, lied to the Senate about political favors he performed to enlist support from the Teamsters union.

Ms. Reno notified a special panel of federal judges Tuesday that she had opened a 90-day preliminary investigation into allegations that Mr. Ickes perjured himself, charges lodged by the Senate Governmental Affairs Committee in its final report on campaign finance abuses in the 1996 election.

The White House deputy chief of staff from 1994 to 1997, Mr. Ickes served as chief liaison to the Clinton campaign and Democratic National Committee.

Because of his central role in the 1996 fund-raising operation, Justice Department officials said that any independent counsel investigation might broaden from a narrow perjury inquiry into a wider investigation of Democratic campaign practices.

"Ickes was such a central figure in the campaign that any investigation of him could carry you to the president and the vice president and many of the most controversial aspects of the fundraising effort," a department official said.

Despite calls from congressional Republicans and some of her own top advisers, Ms. Reno has repeatedly refused to consider any independent counsel investigation of the campaign finance controversy.

Mr. Ickes did not return calls seeking comment.

### Away From Politics

The Food and Drug Administration has approved the sale and marketing of a kit of emergency contraceptive pills that women can take the morning after unprotected sex to prevent pregnancy. The PREVYN kits will be available by prescription by the end of September, said Rodrick Mackenzie, chairman of Gynetics Inc., the first company to obtain U.S. approval for such special packets. (AP)

More than 150 Northern California mortuaries have agreed to pay a total of \$4.17 million to settle a class-action suit brought after it was discovered that a man hired by them as a pilot had failed to scatter the ashes of more than 5,000 people. The man killed himself after the remains were found in a locker in 1997. He had no flying license. (AP)

A woman who ran from an abortion clinic in Brookline, Massachusetts, during a 1994 attack in which two receptionists were killed has sued the clinic for "wrongful birth." Deborah Gaines, 31, claimed she was so traumatized by the attack that she could not bring herself to obtain an abortion. She wants the clinic to help pay to raise the child, her fourth. (AP)

Lightning started dozens of fires in Southern California that destroyed 39 homes, burned 34,000 acres and threatened an Indian casino and a napalm storage depot. (AP)

A mother who allegedly starved herself and her two children, aged 7 and 9, for a month while awaiting the Holy Spirit, was arrested for child abuse, the police in Palermo, California, said. The children were hospitalized. (AP)



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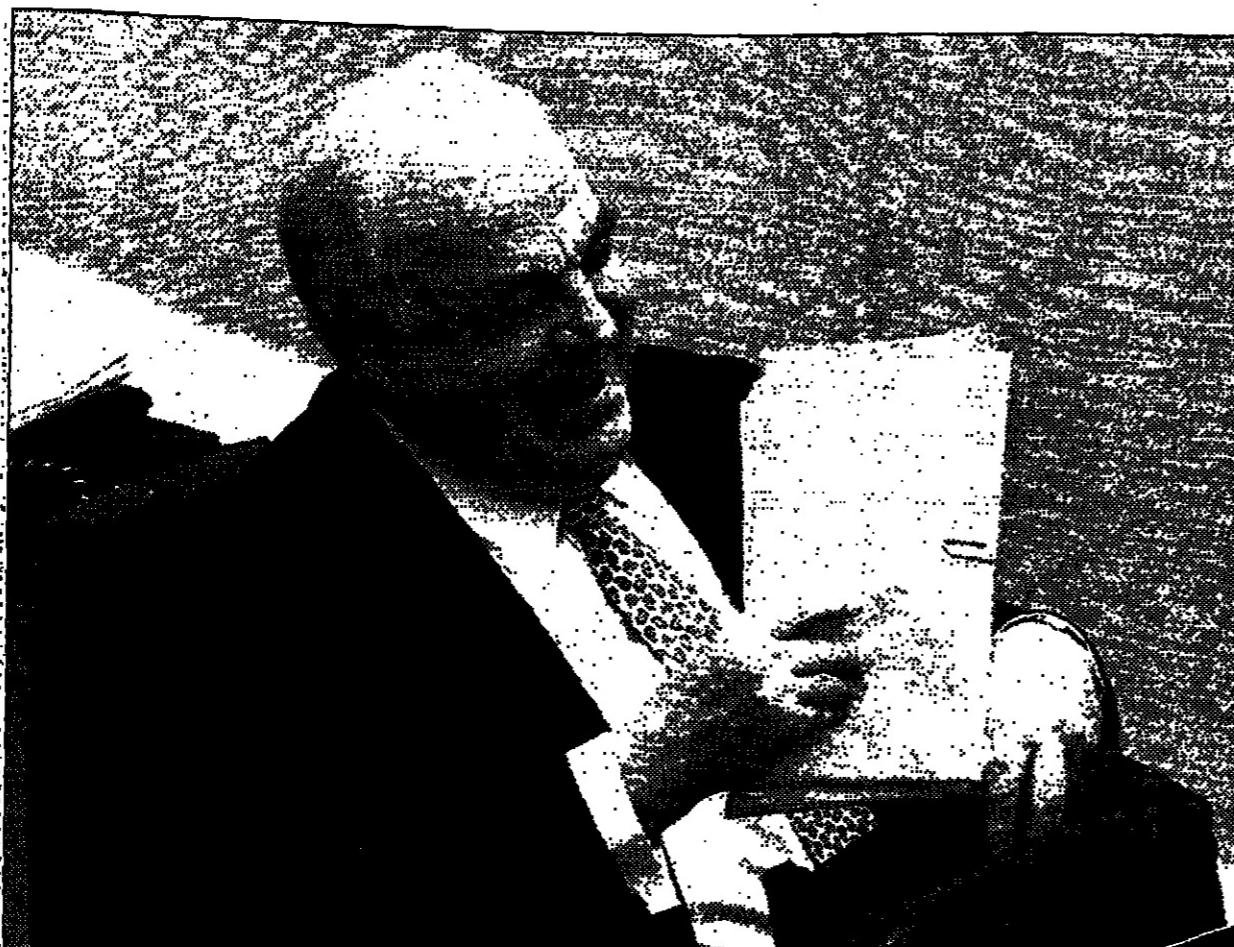
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September 2, 1998

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## INTERNATIONAL



Chancellor Kohl checking some papers during a parliamentary debate Wednesday in Bonn on the new budget.

**YELTSIN: Tycoon Says Publicly That President May Have to Go**

Continued from Page 1

said. At the same time, he said, if there is such a "strong" figure in control, he could "tolerate the fact that the president cannot participate in the fast-moving events as he should do." Mr. Yeltsin's term expires in the year 2000.

Mr. Berezovsky did not explicitly say Mr. Chernomyrdin was his idea of "strong authority," but his remarks strongly suggested it. "During the five extremely difficult years of reforms, Chernomyrdin was forced to make a huge number of compromises and became a heavyweight," Mr. Berezovsky said.

**SUMMIT: Yeltsin Stresses Political Aid**

Continued from Page 1

the rhetoric about the "brighter, better, stronger future" that Mr. Clinton foresaw in Russia did little to lift spirits on the streets, where the financial pain was worsening even as the presidents of the United States and Russia talked.

The ruble's official exchange rate climbed to 13 to the dollar, compared with 6.3 just two weeks ago, and the Central Bank announced the obvious: It cannot control the currency's fall.

At the same time, some importers halted shipments of food from the West because of the chaotic situation. Shoppers in some Moscow stores stocked up on necessities to hedge against price increases.

And a political poll showed that 36 percent of Moscow residents want Mr. Yeltsin to resign.

The summit meeting brought home the weakened political condition of both leaders, who have watched their authority diminish amid calls for resignation from lawmakers.

During their news conference, Mr. Clinton tried again to express regret for misleading the American public about his sexual relationship with Monica Lewinsky, a former White House intern. Mr. Yeltsin, meantime, surprised some in the hall by appearing to blank out during a question, only to give a cryptic answer and hurriedly call an end to the session.

*Reuters reported from Moscow:*  
In promising to support international financial aid to Russia if it pushed ahead with market reforms, Mr. Clinton said what reforms would be painful. But he added, Russia must refuse to bow to the Communist opposition and turn back the clock to Soviet-style central planning and printing money.

"A country that rebuffed Napoleon

of former Soviet republics including Russia. He was previously deputy secretary general of the Kremlin security council, and is one of Russia's leading financial "oligarchs," a group of tycoons who have actively played a role in ruling the new Russia in recent years. Mr. Berezovsky, with oil, airline, auto and media interests, is the most senior of the group of business magnates and has often served as an informal point man for them.

In a candid acknowledgment of the fears of many of the financiers, Mr. Berezovsky said he would not enter a new Russian government because of fears of an anti-Semitic backlash. Many of the leading magnates in the oligarchy are Jewish.

Mr. Berezovsky is believed to have maneuvered to persuade Mr. Yeltsin to fire Prime Minister Sergei Kiriyenko because the bankers feared Mr. Kiriyenko's government would not bail them out after the Aug. 17 devaluation of the ruble. Mr. Yeltsin fired Mr. Kiriyenko Aug. 23 and asked the Parliament to return Mr. Chernomyrdin to the post.

In the interview Wednesday, Mr. Berezovsky said, "Kiriyenko's emergence was absolutely surprising to me, and I marked him as absolute nonsense from the start."

Russia's power vacuum persisted as the economic crisis showed no sign of abating. The Central Bank has set a ruble-dollar exchange rate that has exceeded the 9.5 rubles per dollar that was originally established to be the outer limit for December. The bank has basically put the currency into free fall and stopped trying to influence it. A new system of currency trading is expected to start in Moscow on Thursday using electronic networks.

Meanwhile, the International Monetary Fund has signaled that it may delay the next installment of a \$22.6 billion loan package to Russia. Stanley Fischer, the IMF's first deputy managing director, told CNN in an interview that the \$4.3 billion tranche might be put off. Russia had hoped to get it in mid-September.

"Given what we know now about the changes in the exchange rate, of course difficulties in the banking system, possible difficulties in the budget, it's clear that the Russians will have to do quite a lot before that money could be released," Mr. Fischer said. "and that means we have to consider the possibility that it will take longer than this month."

**CLINTON: Questions on Lewinsky Follow President Into Kremlin**

Continued from Page 1

matter when he would prefer to be conducting diplomacy.

"I have acknowledged that I made a mistake, said that I regretted it, asked to be forgiven, spent a lot of very valuable time with my family in the last couple of weeks and said I was going back to work," Mr. Clinton said.

But that response left many in the White House press corps dissatisfied. At the next opportunity, Lawrence McQuillan of Reuters asked whether Mr. Clinton regretted the bitter tone of his Aug. 17 statement and felt he owed an apology to his family, his supporters and the American people.

Mr. Clinton tried to avoid the question by jokingly echoing a curt response by Mr. Yeltsin to a separate question about his prospects for forming a government out of the current political chaos in Moscow. But he then gave a longer answer.

"I think the question of the tone of the speech and people's reaction to it is really a function of — I can't comment on that," he said, as Mr. Yeltsin looked on bemused at the spectacle in the restored Catherine's Hall in the Kremlin.

"I read it the other day again, and I thought it was clear that I was expressing my profound regret to all who were hurt and to all who were involved, and my desire not to see any more people hurt by this process and caught up in it," Mr. Clinton continued.

Then, elaborating on his combative words toward Mr. Starr, the president said: "And I was commenting that it seemed to be something that most reasonable people would think had consumed a disproportionate amount of America's time, money and resources and attention, and now continued to involve more and more people. And that's what I tried to say."

Mr. Clinton's demeanor during the

43-minute news conference — indeed, throughout the two-day summit in Moscow — was subdued, even somber. Aides said he had been prepared for questions about the Lewinsky matter and decided on his own to address them rather than rebuffing them as inappropriate in a foreign country.

Aides offered no elaboration on the remarks. "On this matter, the president obviously wants to speak from the heart, and he did," said Michael McCurry, the White House spokesman. "He said what he wanted to say, and I don't think it's the role of staff to try to amplify or comment further on his remarks."

Now would Mr. McCurry or other White House aides provide the names of the "leaders around the world" who Mr. Clinton said had offered him support and encouragement after his admission of the affair?

Mr. Clinton has spent some of the rare unscheduled time on this trip making calls back to the United States to gauge the continuing impact of his Lewinsky admissions, a White House aide said.

One administration official who has worked closely with Mr. Clinton at the summit said that he saw no evidence that the president was depicted over the Lewinsky revelations and the critical reaction to his speech two weeks ago.

He said the president's mood over the last two days was a reflection of the current turmoil in Moscow. "This is a serious situation which does not lead itself to laughter," the official said.

Mr. Yeltsin did not comment on the questions about Ms. Lewinsky in the press conference or in private meetings with Mr. Clinton, U.S. officials said.

But Grigory Yavlinsky, leader of a liberal political party here, said that many Russians sympathized with Mr. Clinton for the legal problems he faced arising from the Lewinsky affair. "We look at it in a more personal way," Mr.

**Kohl Gambles on 'Anchor' Image****But Strong Backing of Yeltsin Could Backfire on Chancellor**By William Drostak  
*Washington Post Service*

BERLIN — The smiling face of Europe's longest-serving leader peers out from ubiquitous campaign posters that proclaim "World Class for Germany." Publicity spots warn that the crisis in Moscow means every ballot in this month's national election could spell the difference between "risk and security."

With high unemployment and general fatigue with his 16 years in office turning public sentiment against him, Chancellor Helmut Kohl is now playing what aides call his ace in the hole by banking on his reputation as the Continent's most respected statesman in a bid to overtake his Social Democratic challenger, Gerhard Schroeder.

Peter Hintze, general secretary for Mr. Kohl's Christian Democrats, said the turmoil in Russia, Kosovo and on world stock markets is emerging as a critical campaign issue that could turn the tide in the chancellor's favor ahead of the Sept. 27 vote. He predicts voters will switch to Mr. Kohl because he is perceived as "a stability anchor" in turbulent times.

But unlike 1990, when Mr. Kohl breezed to victory on the strength of achieving German reunification, some

analysts say they believe the current strategy emphasizing the chancellor's foreign policy record could backfire if voters regard his close friendship with President Boris Yeltsin of Russia as a liability rather than a strength.

The Social Democrats claim Mr. Kohl gambled badly in basing German interests on Mr. Yeltsin's political fate and refrained from any criticism of his "sauvage buddy," even when he waged a disastrous war in Chechnya. They also say Mr. Kohl squandered \$42 billion in taxpayer money by offering state credit guarantees that may never be repaid because of Russia's freeze on repaying debts.

"Kohl is abusing the intelligence of voters by trying to exploit the crisis in Russia," said Franz Müntefering, campaign manager for the Social Democrats. "It's really an expression of his helplessness in this campaign."

Dieter Roth, director of the Mannheim polls research group, says that surveys suggest that while people may respect Mr. Kohl and still remain some residual security fears about Russia, they are dubious about the wisdom of pouring so much aid money into what appears to be a bankrupt economy.

"At this stage, only a military coup could arouse enough fear to have a decisive influence on the election cam-

paign," Mr. Roth said.

Nonetheless, Mr. Kohl's handlers are seeking to depict him in light of President Bill Clinton's troubles as the only world leader with sufficient grasp of history and power to steer Germany and Europe through such hazardous straits toward a new millennium. "He should be seen as a great crisis manager, whose counsel is sought by Yeltsin and Clinton," said Klaus Dreher, Mr. Kohl's biographer. "It's the only chance he has of salvaging the election."

Despite a packed campaign schedule, Mr. Kohl has consulted several times on the telephone over the past few days with Mr. Yeltsin, Mr. Clinton, Prime Minister Tony Blair of Britain and France's president, Jacques Chirac, according to chancellery officials.

Senior German officials said Mr. Kohl had joined other Western leaders in emphasizing continued support for market reforms. But Mr. Kohl also stressed in a speech this week that "it is the quality of reforms that counts, not the speed they are introduced."

A senior chancellery aide said that during their conversations, Mr. Kohl urged other leaders to show greater patience and understanding for Russia's difficulties and to be cognizant of its "inferiority complex" toward the West.

**More 1950s Nuclear Secrets Revealed**By Walter Pincus  
and George Lardner Jr.  
*Washington Post Service*

WASHINGTON — President Dwight D. Eisenhower authorized U.S. military commanders abroad in 1957 to order the use of nuclear weapons — if the president could not be reached — to retaliate against direct Soviet or Chinese attack, according to documents declassified recently.

The authority stipulated that U.S. commanders could use nuclear weapons whether or not Soviet or Chinese nuclear warheads had been used against U.S. forces.

But the retaliation could be targeted only at the attacking forces and could take place only with the permission of the country where the weapons would be used.

In no event, the documents stated, could nuclear weapons be used against the territory of the Soviet Union unless

the U.S. mainland had first come under attack.

The documents, made public this week by the Interagency Security Classification Appeals Panel, supplement a set of 1957 Eisenhower papers released in March that confirmed, for the first time, that U.S. military commanders had "pre-delegated" authority to use nuclear weapons if it proved impossible to communicate with the president.

William Burr of the National Security Archive, which sought declassification of the documents, said that the new papers showed that Mr. Eisenhower "sought to avoid giving excessive leeway to military commanders to prevent their precipitously initiating a devastating U.S.-Soviet nuclear exchange."

A 1964 memo from then-national security adviser McGeorge Bundy, to President Lyndon Johnson reaffirmed the Eisenhower guidelines, including

"pre-delegation" to use nuclear weapons against direct air or sea attack.

Mr. Bundy wrote that Mr. Eisenhower's approach was in line with a belief that "when the destructive force of nuclear weapons would hit only military forces, the decision on their use was a very less serious matter."

The security classification appeals panel was set up by President Bill Clinton in an order to calling for declassification records over 25 years old.

In a report to Mr. Clinton, the appeals panel said it had ruled in favor of declassification of all or part of 81 out of the 95 documents reviewed. The reviews occurred when researchers such as Mr. Burr protested an agency's decision to keep records secret.

Roslyn Mazer, the panel's chairman, said that in implementing Mr. Clinton's order, "reflexive use of the old classification categories has been replaced by healthy skepticism."

**RWANDA: UN Court Sets a Precedent With Genocide Conviction**

Continued from Page 1

Judge Kama said the evidence was overwhelming that Mr. Akayesu ordering the deaths of several Tutsi intellectuals in his commune as well as eight Tutsi from another town who had sought refuge in his office.

In addition, the judges found Mr. Akayesu guilty of inciting villagers to commit genocide in a speech in which he urged people to eliminate Tutsi civilians.

The judges said they also found the evidence convincing that Mr. Akayesu had overseen the torture of several Hutu residents in Taba in an effort to find out where Tutsi residents were hiding.

Nicolas Tiangaye, a lawyer for Mr. Akayesu, confirmed that his client would appeal the decision. "There are some points we can criticize," he said.

Throughout the 17-month trial and the testimony of 42 witnesses, the defense argued that Mr. Akayesu had at first tried to protect the Tutsi in his commune but found he was powerless to stop the Hutu militiamen, who, he argued, were not under his command.

Defense lawyers portrayed Mr. Akayesu as a victim of circumstances, a decent man who continued to try to save Tutsi until he was forced himself to flee in May 1994. Mr. Akayesu lost control of the town to Hutu killers and was made a scapegoat for massacres he could not prevent, his lawyers said.

But the judges accepted the prosecution's version.

Mr. Prosper, the prosecutor, argued in court that Mr. Akayesu first resisted taking part in the massacres.

**BRIEFLY****Bomb in Cape Town Found to Fit Pattern**

CAPE TOWN — The bomb that ripped through a Planet Hollywood restaurant here Aug. 25 resembled previous bombs aimed at police targets, authorities said Wednesday.

Experts have finished reconstructing the Planet Hollywood bomb, which killed one man and injured 27 people. A caller saying he represented an anti-American, anti-Israeli group took responsibility, but the Islamic group later repudiated the claim.

Cape Town and its surrounding slums have been subject to a wave of bombings, which authorities have linked to a Muslim group, People Against Gangsterism and Drugs.

One bomb went off Aug. 6 near police offices, killing a street vendor, and another near a local police station struck about a month before that, but caused no injuries.

officials in the eastern part of the country said Wednesday.

Authorities in Kenema, 240 kilometers (150 miles) east of Freetown, said the deaths from starvation and diarrhea had occurred over the last two weeks.

"It would not be surprising to learn that children are dying every day in Kailahun," said Dominic Ngombu, an official in the area. "The rebels are inhumane to allow people to suffer like that."

**Population to Hit 6 Billion in 1999**

WASHINGTON — Despite the spread of birth control, the world's population will go on growing by about 80 million a year well into the next decade, the UN Population Fund predicted in a report Wednesday.

It said the population might grow as much in the next 50 years as it has in the last 50, possibly even more.

In 1950, there were 2.5 billion people. The State of World Population report projects there will be 6 billion by mid-1999 and between 7.7 billion and 11.1 billion by 2050.

"On June 16 next year we will mark the Day of 6 Billion," an official said at a news conference.

(AP)

**Health Crisis Grows In East Sierra Leone**

FREETOWN — Hunger and disease have killed at least 100 people, mostly children, in the rebel-held Kailahun district of Sierra Leone, health

officials in the eastern part of the country said Wednesday.

## EDITORIALS/OPINION

**Herald Tribune**  
INTERNATIONAL  
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**Ups and Downs****Time for a Rethink**

The Dow Jones average, which on Monday suffered its second-largest point drop, witnessed its second-largest point gain on Tuesday. The analysts who so wisely explained the bear market on Monday were able just as wisely to explain the re-emergence of the bulls on Tuesday. It should give all of us pause when they purport to tell us what the market will do tomorrow.

That Tuesday's gain did not begin to erase the losses of recent weeks is not so terrible, although all those who have seen their net worth shrink may be forgiven for feeling differently. It has been no secret to any investor that, by many traditional measures, the U.S. stock market has been overvalued. But the recent "correction," to use that soothing Wall Street euphemism, and the market's overall volatility are legitimately unsettling nonetheless.

President Bill Clinton and Treasury Secretary Robert Rubin have attempted to reassure investors by arguing that the "fundamentals" of the U.S. economy are sound. There is much evidence to support what they say. But one year ago they were making the same argument about the "fundamentals" in South Korea and elsewhere in Asia, about economies that have since plunged into severe recession or depression. The truth is that what happens in the stock market can influence the "fundamentals" if consumers begin to lose confidence in the economy.

Investors are unsettled in part due to a sense that some of the world's economic problems seem beyond any obvious solution. Neither Indonesia nor Russia is big enough, in economic terms, for its collapse to pose a major threat to the U.S. or European economies. But it is ominous that the world's economic doctor of last resort, the International Monetary Fund, has

delivered its strongest medicine to both Indonesia and Russia, only to watch both fall deeper into trouble.

Also unsettling is the absence of strong leadership in the world's two biggest economies, Japan and the United States. Japan is a wealthy country which, due in large part to political paralysis, cannot claw its way out of recession. Although a succession of leaders there have promised strong action, none so far, including current Prime Minister Keizo Obuchi, has provided much reason to believe that Japan's decline will not continue for some time.

In the United States, Mr. Rubin and Federal Reserve Chairman Alan Greenspan have established track records of reassuring solidity. But Mr. Clinton is weakened and distracted by scandal, and his credibility is less than it has ever been. That, too, can have an effect.

The latest international down and ups and downs will accelerate debate on specific policy measures — the need for Congress to approve new funds for the IMF, for example, or for the Fed to lower interest rates. These are important issues.

But beyond these instant questions, the United States also should initiate an international, high-level, thoughtful review of questions underlying this crisis. These would include the efficacy of IMF rescue measures; the issue of controls on short-term capital movements across borders; the assertion that global capital flows have sparked or could spark a race to the bottom in labor standards, environmental regulation and taxation of capital; the most effective and humane way to liberalize an economy; and more. By joining these issues in a serious way, the Clinton administration could provide a welcome reaffirmation of its ability to provide leadership at a shaky time.

—THE WASHINGTON POST.

focusing on the U.S. economy, with the rest of the world a secondary priority.

Yet what is happening is that much of the world is being starved of capital as investors who only recently were all too eager to invest in emerging markets are now fleeing those markets. Central banks in those countries have raised interest rates in a futile attempt to bring capital back, only to see the high rates further depress the local economy.

As Robert J. Barbera, chief economist for *Hoenig & Co.*, said this week, "a global central bank would drive interest rates sharply lower in response to these obvious deflationary forces." But there is no such bank. The closest thing available would be concerted action by the Federal Reserve and the major European central banks. Calmer markets make that less likely.

One Asian country, Malaysia, took matters into its own hands on Tuesday by announcing stringent capital controls — hoping to stabilize the value of Malaysia's currency while allowing local interest rates to fall and stimulating local business activity. Such move, however, will make foreign investment even less likely, and runs the risk of encouraging corruption, since it will be up to the government to decide which people, or companies, can move their money out of the country.

But it is an understandable move in the current situation, and only serves to heighten the need for international action to get the world growing again.

—THE NEW YORK TIMES.

**Other Comment****Clinton Like Churchill?**

Could this be Bill Clinton's finest hour, rather as 1940 was Winston Churchill's? It seems unlikely, but the old saying that "the hour produces the man, and there is no other man, at this turn of history, for it to choose."

—Peregrine Worsthorne, writing in *The Daily Telegraph* (London).

Chaos rules, except when order is imposed upon it by brute (and often quite stupid) force. It is the sheriff who keeps the peace, not the scholar. It was murderous and overwhelming might that stopped Hitler.

Confronted with the reality of a Russia that is a kleptocracy and that for years has been running increasingly out of the control of a president who is only technically not dead, the Clinton administration has chosen to see progress in what is something closer to a free fall toward anarchy. But falls stop, reality intrudes, history is made.

—Michael Kelly, writing in *The Washington Post*.

**Herald Tribune**

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**Russians Need Time for the Reforms That Count**

By William Pfaff

PARIS — Bill Clinton and Boris Yeltsin's summit conversations in Moscow this week rested on the pretense that Russia has until now actually been on a course of real reform.

Mr. Clinton warned Mr. Yeltsin against faltering on that course, just as the IMF's Michel Camdessus had a few days earlier warned the acting prime minister, Viktor Chernomyrdin. In response, Mr. Chernomyrdin and Mr. Yeltsin reaffirmed their commitment to the economic programs pressed upon Russia by Washington and the institutions of the international community.

There actually has been, or (under current circumstances) will be little true reform in Russia even if Mr. Chernomyrdin, with the support of the "businessman" Boris Berezovsky, becomes prime minister, an eventually

such advice, the foreign advisers have had to pretend that a civil society exists in Russia capable of taking over the direction of a free economy.

Alternatively — the more likely explanation — these advisers were culpably ignorant of the fact that there was no such civil society, as any historian of modern Russia could have told them.

Such civil society as did exist among the fragile and doomed merchant and professional classes of czarist Russia in 1917 was exterminated under communism. Its re-creation under the chaotic conditions of contemporary Russia is the work of at least a generation.

Western advisers also pretended to believe that privatization would cause a market in shares and merchandise to spring spontaneously into existence, despite Russia's 80-year experience of command economy, the absence in Russia of any experience of markets, and the country's lack of intermediary economic institutions and structures of commercial law and contract.

Alternatively, the advisers were guilty of applying to a living society the untested ideological hypothesis that such a social transformation could be forced into existence.

The economic model that foreign reformers offered Russia was designed to invite foreign investment at serious cost

to the Russian public, postulating that the arrival of that investment, together with increased commerce with the outside world, could itself impose a modern economy on the country. This was another ideology-based experiment.

The Yeltsin government listened to all this advice, and pretended to take it. The international community pretended to believe that the Russians were reforming. During the last two weeks this edifice of pretense has collapsed. The result is that market capitalism is morally discredited in Russia, undoubtedly for many years to come.

Yet Russia desperately needs reform. It needs the rule of law, banks that are not money-launderers, manufacturing plants that pay wages to workers who produce goods, peasants who are paid for their crops. What it does not need is to "privatize" still more of its economy into the hands of oligarchs who are little more than asset-stripers.

Russia needs regulation, not more deregulation. It needs the kind of regulation of commerce, standards and labor imposed in America during Theodore Roosevelt's presidency and later under the second Roosevelt's New Deal. It needs reformed government — energetic and uncorrupt bureaucracies to build and maintain infrastructure, regulate financial markets and protect citizens.

But none of these appear to be the kind of reforms talked about during

this week's Clinton-Yeltsin summit. Some economists in the West still talk about Russia's new "businessmen" as the equivalent of 19th century American "robber barons." But Andrew Carnegie created the American steel industry. John D. Rockefeller established the American oil industry. The Vanderbilts, Harringtons and Harrimans built and consolidated great railroads. They enriched themselves while doing so, and ruined others, but left their fortunes to philanthropy.

What has Boris Berezovsky built in Russia? What have these "businessmen" done for Russia, other than appropriate its wealth? But Mr. Berezovsky is perhaps the most important figure in the current "reform" coalition. He financed Mr. Yeltsin's last presidential campaign, and backs Mr. Chernomyrdin today.

The Communists' leader, Gennadi Zyuganov, addressed himself on Monday to "businessmen, entrepreneurs and the nascent bourgeoisie" of Russia. He said: "Your predecessors, in the first 15 years of this century, were unable to share power and property. In the West they understood the need to share 200 years ago. Those who didn't share either had their crowns or their heads removed. Now you are acting exactly the same way."

It was a justified warning.  
International Herald Tribune.  
Los Angeles Times Syndicate

**Russia Has to Stop Rejecting Open and Fair Competition**

By Jim Hoagland

WASHINGTON — Asked what he thought of Western civilization, Mahatma Gandhi said it sounded like a good idea and should be tried seriously. So it is with Russian capitalism.

The political and financial upheaval that greeted Bill Clinton in Moscow this week represents the death throes of a hybrid national economic system that has prevailed, and failed, in Russia since 1991. That system is undergoing piecemeal destruction as painful as it is necessary.

Following in the footsteps of Asian nations hit by a similar calamity a year ago, Russia demonstrates the perils of trying to skim off the cream of the globalized economy without adopting checks and controls to restrain human appetites and ambitions. Lacking in Russia and Asia was an appreciation of the open and fair competition needed to police capitalism and to make it work.

The fundamental problem in Russia, Indonesia, Malaysia

and elsewhere was not that they went too far in adopting American-style capitalism, as ideologues have begun to claim. These nations did not go far enough. They sought comfortable halfway approaches that quickly proved unsustainable.

These societies must now choose from three courses of action: go backward by sealing themselves off from international capital markets and free trade; balance where they are and muddle through; or accept the responsibilities and limitations that advanced capitalism brings, as well as its glorifications, by immersing themselves more fully in global markets. The scaling and muddling options are dead ends.

Russia's immediate turmoil is the product of the unfor-giving forces of globalization and the country's divided and inept political leadership. The crisis cannot be blamed on inherent flaws in capitalism, or on a Western failure to provide expertise.

This has happened just as Thailand and South Korea were beginning to see light at the end of the tunnel; currencies have stabilized and interest rates

sufficient help and advice to Russia's last flinch came this summer, as plumping oil prices, the lack of a functioning tax collection system and investor flight emptied the national treasury and forced a humiliating devaluation of the ruble.

Pressed as well to overhaul the tottering banking system and bankrupt the leading oligarchs who backed his election in 1996, the Russian president fired the reformers and brought back Mr. Chernomyrdin as prime minister.

The ineptness Mr. Yeltsin has shown in inflicting pain on the public while protecting tycoons has undermined his chances of staying in office until the end of his term in 2000.

Mr. Chernomyrdin must now negotiate a transitional political arrangement with the Duma that will include Mr. Yeltsin's orderly departure, a yielding of significant presidential powers to the Duma, and simultaneous presidential and parliamentary elections in the near future. Those are all

necessary steps before Western financial aid can resume and a new generation of politicians, economists and entrepreneurs can emerge to tackle Russia's enormous problems.

But this time outside help must be more focused on entrenching the rule of law and an authentic free market system in Russia. The country's only chance to generate sufficient revenues to ease the painful economic transition ahead lies in its oil and natural gas industries, which need significant foreign investment to become a global force.

Mr. Yeltsin's government has always refused to open the oil and gas sector on commercially viable terms to foreign firms. That was the telling, vital, flinch in Moscow's refusal to come to terms with global markets. Balancing on the brink of disaster, Moscow must now accept substantial foreign ownership in this sensitive area and show the world that it finally gets capitalism.

The Washington Post.

**A Retreat From Market Capitalism in Southeast Asia?**

By Philip Bowring

HONG KONG — The most worrisome aspect of East Asia today is not the economic crisis but the irrational actions that the crisis is engendering.

The dismissal of Malaysian Deputy Prime Minister Anwar Ibrahim, after the resignation of the central bank governor, is the latest in a series of actions that show the Southeast Asian world to be turning upside down.

Mr. Anwar, an intellectual Muslim critic of the extremes of capitalism, has been ousted for opposing the decision of Prime Minister Mahathir bin Mohamad, hitherto a proponent of

acquisitive capitalism, to impose exchange controls on a long-open economy.

Meanwhile, Hong Kong, supposed bastion of the free market, has been throwing huge amounts of public money at the stock market and investigating against the "speculation" on which it has long boasted to have expertise.

This has happened just as Thailand and South Korea were beginning to see light at the end of the tunnel; currencies have stabilized and interest rates

have declined. Even Indonesia was trying to get to grips with reality. Now, Malaysia and Hong Kong have cast a new shadow over the region.

Their actions may signal a retreat from Western-style market capitalism by two economies that have been notably successful practitioners of it.

Malaysia's imposition of draconian exchange controls is not merely using a sledgehammer to crack a nut. It strikes at the heart of 100 years of Malaysian economic history.

If the controls were merely to reduce the impact of short-term money flows, there would be wider support for them. Huge surges of money into and out of Asian economies have been (as I have often argued) a major factor in the 1992-1998 boom/bust cycle. But these measures go far beyond what is needed to dampen money flows.

If they were essential to bring down interest rates, they might have partial justification. IMF prescriptions and high interest rates are a threat to Asia. But the controls have been introduced before Malaysia's already announced policy of lowering interest rates had time to work, and after interest rates in South Korea and Thailand had plummeted.

Malaysia's moves are a long blow to the local equities market, as well as to foreign participation in the Malaysian economy.

Malaysia is not some Latin American country which distanced stock markets and a liberal approach to foreign capital in recent years. A free currency and an active equity market have been central to the country's social and economic development for decades.

In 1996, Malaysian equity market capitalization was the highest in the world, at more than 300 percent of GDP. The stock market has been key to Malaysia's ethnic redistribution of wealth for 25 years — it was the mechanism by which foreign plantations passed to local hands, and state enterprises were acquired by new indigenous entrepreneurs.

Will such international efforts come into being? Probably not in our lifetime. That is why Hong Kong decided to dig in. "The manipulators and speculators have been creating chaos," complained Anson Chan, Hong Kong's No. 2 leader. Her government responded with some creative chaos of its own.

Los Angeles Times.

markets after independence and the break with Singapore.

Malaysia's actions are a huge setback to ASEAN integration, which has thrived on free flows of capital around the region, and puts question marks over the future of Malaysia's economic relations generally. Few countries have historically been as open to foreign capital or thrived more on it.

Mr. Mahathir's actions were seen as an unneighborly act by Singapore, already smarting from Malaysia's ban last week on its shares being traded there and from a variety of cross-causeway irritants.

The rush of blood to the head of the Malaysian leadership could too easily unleash all kinds of historic and ethnic gremlins that have been hiding for a generation. These are far more dangerous to the region's health than a few more months of wobbling currencies and severe recession.

In Hong Kong as in Malaysia, foreigners and speculators become targets for rhetorical attack and a cover for policy changes aimed at protecting specific local interests rather than the economy as a whole.

From a short-term political standpoint that may be understandable. But the long-term damage of ill-conceived policies hatched in panic or rage is a bigger threat to regional peace and prosperity than market forces, however wild.

International Herald Tribune.

at Count

## Use, Not Proliferation, Is the Nuclear Danger

By Robert A. Levine

SANTA MONICA, California — It is time to face the fact that the world is failing in its attempts to control nuclear proliferation. We must now shift our main focus to the much more crucial objective of preventing the actual use of nuclear weapons. A retooled deterrence strategy like the one that helped prevent nuclear war for nearly half a century can make a major contribution.

The Indian and Pakistani nuclear tests, renewed Iraqi insensitivity on inspections and the possibility that North Korea has continued its weapons building efforts all make clear that, while elaborate anti-proliferation treaties may have slowed nuclear spread a bit, they have not stopped it. It is unlikely that they will.

Why should we, the world community, care about proliferation? Perhaps we should not. It should distress the impoverished peoples of states whose resources are being diverted toward weapons building, but the mere fact that these states have nuclear weapons should concern nobody else.

The use of these weapons in war, however, would be of immense concern. Nuclear weapons have not been used in anger since 1945. For more than half a century, no one has crossed the crucial "firebreak" preventing non-nuclear war from going nuclear.

That it remain uncrossed is a universal vital interest, because the breaching of that firebreak by anyone, on any scale, could lead to a much larger catastrophe.

Focusing on the use of nuclear weapons — on their first use, since that is where the line is crossed — calls for a new strategy based in part on the old strategy of deterrence.

Deterrence requires a threat. Old deterrence was based on the U.S. threat to inflict unacceptable damage on the Soviet Union in response to nuclear (and some non-nuclear) transgressions, and on the mirror-image Soviet threat.

The nuclear forces of America's British and French allies contributed to the U.S. effort, but they were not essential, nor would they be for the new deterrence.

Ironically, the cooperation of Russia is now crucial. So is at least tacit Chinese agreement. Both Russia and China, now or later, will have the potential to escalate an

unequal confrontation with a minor "first user" into a dangerous face-off between major powers.

How would the new deterrence work? It should start with exemplary no-first-use pledges by the major nuclear states, a goal long sought by anti-nuclear activists.

But the pledges are the easy part. What about the threat? The major powers — the five permanent members of the UN Security Council — should threaten punish any first user of nuclear weapons, militarily and overwhelmingly.

Implementing that threat would probably not itself require nuclear weapons. The major nuclear powers have the capability to inflict severe punishment without using these weapons, although no-first-use pledges would not preclude "second use" as a backup.

Would the major, or "deterring," powers have the will to implement this? The only real answer is: Maybe yes, maybe no. Certainty can never exist.

U.S. nuclear retaliation against a Soviet invasion of Western Europe during the Cold War, for example, was far from certain. That uncertainty worried U.S. allies, but even the imperfect threat far overbalanced any Soviet temptation. That is what is to be hoped for now.

It might not work in all cases; maybe not against an Israel using a nuclear weapon as a last resort against being overwhelmed; maybe not against a nation retaliating for the use of other weapons of mass destruction, biological or chemical. But no strategy can provide an absolute guarantee, nor can the nuclear genie be put back in the bottle.

Deterrence by the major powers, however, could bring about a major reduction in the likelihood of first use. The demonstration that nuclear weapons are near useless to those who merely possess them could become the true barrier against proliferation.

At least we should turn our attention to the true objective: preventing nuclear combat.

*The writer, a senior economist emeritus at the Rand Corporation, is the author of "Uniform Deterrence of Nuclear First Use." He contributed this comment to the International Herald Tribune.*

## JACOB'S LADDER A Story of Virginia During the War

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\$25.95. W.W. Norton & Co.

Reviewed by Christopher Lehmann-Haupt

At the opening of Donald McCaig's "Jacob's Ladder," a young woman is ringing doorbells on a hot August day in Richmond, Virginia. She is looking for former slaves who have agreed to be interviewed for President Franklin Roosevelt's Works Progress Administration.

At the door of 376 Clay Street, the young woman is greeted by a servant, "elderly, black, hunched," wearing a faded housedress.

"Are you Marguerite?" the young woman asks. "No, I'm Ise Kizzy, Miss Marguerite inside." Inside, over tea, Miss Marguerite turns out to be ancient, the size of a 10-year-old child, with yellowish-gray skin, "like medicine parchment."

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Can this be a former slave speaking? Yes, it can, and thereby hangs a fascinating tale of course.

It is a tale whose roots McCaig discovered while researching county records for his nonfiction book about settling in Virginia, "An American Homeplace." As he explains in his acknowledgments at the end of "Jacob's Ladder," he came across an "evocative court

case" describing a young couple, Alexander and Sallie Kirkpatrick, who were convicted for harboring Jesse, a runaway slave belonging to Samuel Gatewood, a neighboring plantation owner.

Borrowing the names of these principals, McCaig has invented characters for them, as well as a constellation of individuals around them to represent key points of view in Virginia's experience of the Civil War.

Most significantly, McCaig imagines this combined with the striking realism of the dialogue and historical detail creates a paradoxically simultaneous distance and immediacy, as if we were looking at the distant past through a powerful telescope. In his acknowledgments, the author confesses to having gleaned his material from memoirs, diaries and letters.

Yet it is his novelist's imagination that enlivens his harrowing battle scenes, his damning portrait of Alexander Kirkpatrick, one of the most unpleasant intellectuals since Lieutenant Tom Keefee in "The Caine Mutiny," and a glorious set piece in which a group of black soldiers react to a newspaper transcript of Lincoln's Gettysburg Address. ("Jesse, are we the people?" "Not yet.")

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But after settling on a farm in Virginia he came to feel something that made him better understand the cause. Whatever that something is, he manages to convey both the sweetness of antebellum plantation life and the horror of its peculiar institution.

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How he climbs his particular ladder is never precisely answered in the story. But you are always aware of the question, and its presence serves as yet one more element enriching this deceptively resonant and layered saga.

## OPINION/LETTERS

### Sex and the Political Animal: Do We Really Have to Know?

By Maureen Dowd

WASHINGTON — I was lolling at home Tuesday morning, watching Howie Mandel, a television talk show host, ask Rosie O'Donnell, another talk show host who was his guest, about her summer vacation.

Suddenly the program was interrupted for a special news report. Had something happened to President Bill Clinton? Was

#### MEANWHILE

Russia no more? Had Monica and her mother signed a \$10 million book deal?

No, the newscaster Peter Jennings had broken in for a live report on the opening of the New York Stock Exchange. He somehow managed to miss the opening bell and lose his remote feed from the trading floor. But he conveyed the import of the moment.

America's twin obsessions, money and sex, were captured most hilariously Monday when CNN put a little stock ticker to the left of Trent Lott as he chastised Bill Clinton for diminishing the presidency. It was impossible to focus on the Senate majority leader's moral umbrage with the Dow plummeting 110 points right next to his helmet head.

I was not concerned about the market. I had already sold my paltry cache of stock to buy summer dresses. I thought I would wear the dresses to parties. But there are no parties. Washington is twitching through what is universally deemed the unsexiest sex scandal in its history. People here are too busy mucking around in others' private lives to enjoy their own.

By the time I got to work the market was healing. But something really, really scary had happened: The Associated Press wire was running a story about Dan Burton's sex life.

Just when you thought this scandal had hit rock bottom, the bottom got rockier. Thank you, Ken Starr, for wiring up Linda Tripp, and for creating a nation of Peeping Toms, for dragging us Americans down to the point where we have to hear the sex secrets of crepuscular Republican swamp life.

Representative Burton, of Indiana, was trying to preempt any damaging personal revelations in an upcoming *Vanity Fair* magazine profile by confessing rough times in his marriage.

"If something comes out ... that you think Danny shouldn't have done," Danny said, "I will own it up to it."

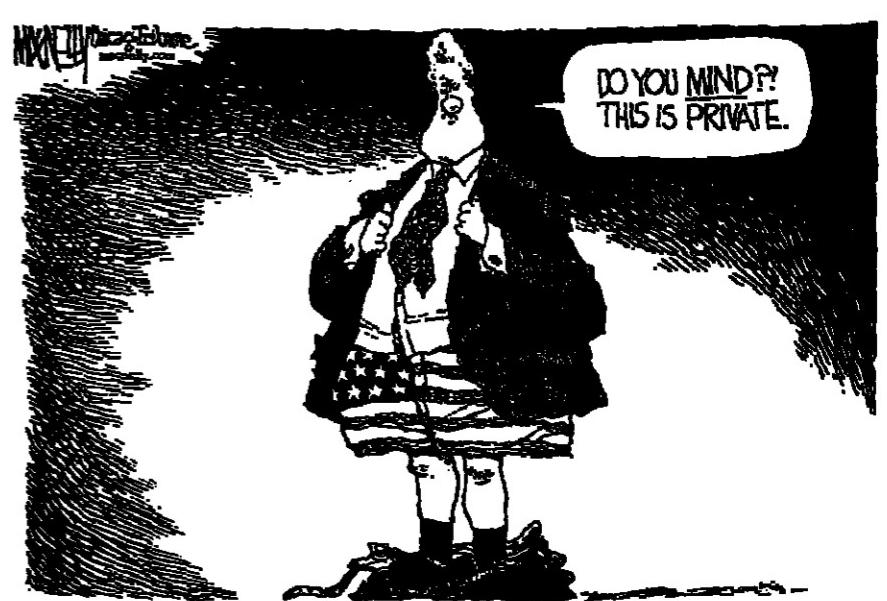
In Mr. Starr's eagerness to get something, anything, on Bill Clinton to justify his overwrought investigation, the prosecutor has opened a sewer of TMI — Too Much Information.

Clintonites have long threatened a bed-room doomsday strategy.

Salon, an on-line magazine sympathetic to the White House, suggested why the House speaker, Newt Gingrich, has been restrained about the Monica Lewinsky matter.

"Gingrich, let us forget, has a closet full of sexual misconduct," it wrote.

I dread to think what's next. Dick Armey's sex life? TMI! Phil Gramm's sex life? Way TMI!



It is remarkable, in a capital with such a lush history of sex, that a president might have to leave office for covering up an affair.

For decades the rules of politics were very simple. As the Democratic strategist Raymond Strother summed it up: "If a politician stayed on his bar stool, he wasn't drunk. And if he didn't get caught, he wasn't cheating on his wife."

But for several years before Mr. Clinton came to town, it was clear that a gallows had gone up along the Potomac. With journalists willing to report more, with women coming into power more, the old libertine rules were visited.

In 1989, former Senator John Tower's nomination to be defense secretary went down amid opprobrium about his skirt chasing and hard drinking, even though he promised to give up alcohol, and even though some senators came to the floor to

vote against him with liquor on their breath.

Everyone realized then, as one Republican consultant put it, that hypocrisy was going to be punished with more hypocrisy. John White, a former Democratic official, lamented that "there used to be better ways to get a guy besides putting his personal mores through the meat grinder."

Allen Drury, the author of "Advise and Consent," mocked the new morality to get away with it: "One must tell all and promise all and be a good, good, good boy and promise to be a good, good, good boy forever after."

Bill Clinton knew the rules had drastically changed. He promised to be a good, good boy. But he wasn't. It was a dangerous game. He lost and so did we. Even if the president escapes the gallows on the Potomac, we will be the world capital of TMI for seasons to come.

*The New York Times.*

## LETTERS TO THE EDITOR

### Russia's Problems

Regarding "Look at What's Happening to Russia Under Reform" (Opinion, Aug. 21) by Stephen F. Cohen:

I applaud Mr. Cohen for his perceptive analysis of the disaster in Russia that has been masquerading as "reform."

As a frequent visitor to and sometimes temporary resident in the countries of the former Soviet Union, I am appalled by what seems a failure to grasp the basics of Russian social and political forces — not to mention history — by international money leaders, by the United States and other governments and by economists around the world.

Mr. Cohen is absolutely correct in pointing out that the current crisis, which is being blamed on the host of converging events, has far deeper roots.

When the "door" to the Soviet Union began to open under Mikhail Gorbachev, it became clear that the country was bankrupt. It should have been equally clear that Russia could not possibly manage a conversion to a free market economy in this decade, if ever.

Now the real tragedy, as Mr. Cohen points out, is that the Russian people must undergo social and political upheaval. It's not hard to understand the problems in Russia — just go and live with a Russian family for a month.

That is the Clinton administration continues to prop up Boris Yeltsin says everything about Washington's failure to formulate a sensible Russian policy. Mr. Yeltsin needs to go before the debacle worsens.

Not only Russians but citizens of Ukraine and Belarus are also caught in this limbo, unable to go forward or back. Of course in Belarus President Alexander Lukashenko has sought the path of total state control and is well on his way to becoming a Stalin look-alike.

I would take Mr. Cohen's analysis one step further and say that there is not enough money in the entire free world to truly "fix" Russia's problems.

I suggest that Western governments consider those problems as unfriendly by cash infusion.

These governments should begin looking at the roots of the problems and stop trying to apply Band-Aid cash fixes to a situation that is not amenable to such measures.

**EVERETT K. MINCEY.**  
Langley, British Columbia.

### U.S. and the Mideast

Regarding "Get the America-Hater, Dead or Alive" (Opinion, Aug. 23) by L. Paul Bremer 3d:

Mr. Bremer details what the United States should do to fight terrorism. What he does not address is the cause of anti-U.S. ter-

rorism and how it might be eliminated or at least mitigated. The root of most Arab hatred of the United States is America's treatment of Arab countries compared with its treatment of Israel.

The United States looks the other way while Israel builds nuclear weapons — not the case with Iran or Pakistan. In the United Nations, America always sides with Israel, in some cases alone, against all the other member states.

If the United States had a more balanced and impartial Middle-East policy, terrorism against America might diminish.

**EDMUND LAZAR.**  
Lorgues, France.

## BOOKS

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## INTERNATIONAL

## Congo Foes Face Off at Summit

Reuters

KINSHASA, Congo — The major combatants in the Congo faced each other at the Nonaligned Movement summit meeting Wednesday in South Africa as rebels said they were moving south into President Laurent Kabila's tribal stronghold.

Mr. Kabila's presence at the 113-nation conference in Durban alongside leaders of his military allies Zimbabwe, Angola and Namibia raised the prospect of all parties to the month-old rebellion finally getting down to negotiations.

But, even before the talks started, President Sam Nujoma of Namibia set the tone, insisting that the meeting back the pro-Kabila military support.

"We will leave only when the job is done to the satisfaction of the govern-

ment of the Congo," Mr. Nujoma said. "I trust that this summit will endorse this position."

Mr. Kabila, who ousted Mobuto Sese Seko in May 1997 after a seven-month bush war backed by Uganda and Rwanda, accuses his former allies of fomenting the rebellion.

Both countries, whose presidents are also at the Durban meeting, deny the charges.

But both have troops stationed in the east of the former Zaire and both warn that they might become involved to protect their national security.

Previous attempts to convene peace talks have ended in acrimony, with President Robert Mugabe of Zimbabwe accusing the leading dove in the region, President Nelson Mandela of South

Africa, of siding with the rebels.

Mr. Mandela is the host of the Nonaligned Movement summit meeting.

The UN secretary-general, Kofi Annan, backed by a Security Council resolution, is trying to get peace talks started and prevent the conflict from igniting the region.

The rebels control the area along the Congo's eastern borders with Uganda, Rwanda and Burundi and have captured the strategic central city of Kisangani, where they claim to have found evidence of mass murders by government troops.

The rebels also claim to hold the Lake Tanganyika town of Kalemie, roughly halfway between Kisangani and Mr. Kabila's tribal stronghold of Lubumbashi in mineral-rich Katanga Province.



Jean-Pierre Kraemer/Agence France Presse

Congolese fisherman watching British soldiers Wednesday on a beach in Brazzaville, where they are stationed.

## U.S. Officials Defend Sudan Attack

By Tim Weiner

New York Times Service

WASHINGTON — The secretary of defense, William Cohen, and the director of central intelligence, George Tenet, told 42 senators at a classified briefing that the United States had strong evidence to justify its attack on a pharmaceutical factory in Sudan, according to a person who attended the closed-door meeting.

Mr. Cohen and Mr. Tenet repeated their assertions that tests of a soil sample taken by the CIA near the Shifa pharmaceutical plant in Khartoum some months ago proved the presence of EMPTA, a chemical compound that they said was used to manufacture VX, a deadly nerve agent, in a process that

they said was developed by Iraq. They presented Tuesday what they said was new and not fully evaluated evidence of financial ties between the plant's owner, Saleh Idris, and Osama bin Laden, the Saudi émigré millionaire who is accused by the United States of organizing the Aug. 7 bombings of two U.S. embassies in Africa.

Separately, several business persons in Sudan have said in interviews that they suspect that Mr. Idris may be connected to Mr. bin Laden.

They said that Mr. Idris, who worked at banks in Sudan and Saudi Arabia, began investing heavily in Sudanese businesses in early 1996, around the time that Sudan asked Mr. bin Laden to leave the country.

The person who attended the Senate

briefing spoke on condition of anonymity. He said that the briefing, together with what U.S. intelligence officials described as transcripts of electronically intercepted telephone conversations from inside the factory, supported suspicions that the plant in Khartoum was part of a chemical weapons program that could have been used by Mr. bin Laden.

Some U.S. officials, European diplomats and chemical weapons experts have questioned the strength of the evidence, but none of the senators did, according to this person. He said Mr. Cohen and Mr. Tenet received a round of applause at the conclusion of the briefing. He said the two men argued that the decision to destroy the plant was sound, though they backed away from earlier assertions that Mr. bin Laden was a direct investor in the plant. They had initially described the plant as producing no commercial products, when in fact it produced medicine.

The Sudanese ambassador to the United States, Mahdi Ibrahim Mohammed, said in an interview Tuesday that his government would have cooperated with the United States in an investigation of the plant before the cruise missile strike.

"They could have talked to us about it," he said. "They could have asked our cooperation. It certainly would have been given. A plant is not like a terrorist who can take a flight to Afghanistan. It was a sitting duck. To take the decision unilaterally to bomb this plant is not justified. It was a grave attack on the sovereignty of our country. It was an act of lawlessness against the Sudan."

Kuwait." It said the embassy was taking "appropriate security precautions."

An embassy spokesman said there were no plans to close the mission. The spokesman would not say how or where the threat had been received.

A handwritten note threatening the U.S. Embassy in Manila was found Tuesday in a lavatory on a plane after its arrival in Kuwait from Dubai, said Colonel Bader Saleh, a Kuwaiti Interior Ministry spokesman. He said that the note, which was in English, read: "The American Embassy in the Philippines will be bombed on Sept. 4, 1998."

In Manila, the police chief, Virtus Gil, said security would be increased around the seaside embassy.

## 2 U.S. Embassies Under Threat

The Associated Press

KUWAIT — The U.S. Embassy in Kuwait said Wednesday that an attack was possibly being planned against it, and a note found on a plane warned of a bomb attack on the U.S. mission in the Philippines.

Washington has closed some of its diplomatic missions around the world and increased security at others since the Aug. 7 bombings of U.S. embassies in Kenya and Tanzania, which killed 258 people and injured more than 5,500.

A message on the embassy's telephone line for U.S. citizens in Kuwait said: "The U.S. government has received information indicating that a similar attack may be being planned in

## Bush Book Details Gulf War Dilemma

By Walter Pincus  
Washington Post Service

WASHINGTON — Former President

George Bush hoped that President Saddam Hussein of Iraq would flee the country in the closing days of the Gulf War, but he ruled out capturing or killing him because of the political and human costs,

according to a new book co-written by Mr. Bush and his national security adviser, Brent Scowcroft.

Writing that eliminating Mr. Saddam would leave the United States without an "exit strategy," Mr. Bush maintained that occupying Iraq "could instantly shatter our coalition, turning the whole Arab world against us, and make a broken tyrant into a latter-day Arab hero."

So concerned were American officials with Mr. Saddam's ability to influence the end of the war that they decided not to require his presence in Safwan, Iraq, near the Kuwait border, to sign terms of Iraq's defeat. "We asked ourselves what we would do if he refused," Mr. Bush and Mr. Scowcroft wrote.

The book, "A World Transformed," contains alternating first-person recollections by Mr. Bush and Mr. Scowcroft on several crucial events of the Bush presidency, including the collapse of the Soviet Union. The section dealing with Iraq

describes in great detail decisions that contributed to Mr. Saddam's ability to remain in power after Operation Desert Storm, an outcome that brought Mr. Bush criticism and bedevils the Clinton administration more than seven years later.

Mr. Scowcroft recounts the administration's failure to oppose a decision by General Norman Schwarzkopf at Safwan to allow the Iraqi military use of helicopters after the war. "Saddam almost immediately began using the helicopters as gunships to put down the uprisings" against his regime, they wrote.

The book provides new details on the negotiations that preceded the sending of U.S. forces to the Gulf in late 1990 and the start of the fighting. It candidly describes how normal procedures, including some required by law, were circumvented in order to get the job done.

When King Fahd of Saudi Arabia accepted a plan from the U.S. defense secretary, Dick Cheney, to permit the first American forces on Saudi soil, Mr. Bush records that he promised that the agreement would be kept secret, even from Congress, until the troops were there. "I was less worried about congressional notification than keeping our word to the Saudis and getting our forces in place as safely as possible," Mr. Bush wrote.

The president did, however, tell Prime Minister Margaret Thatcher of Britain. "I confided to her what I was planning, provided the details of the deployment and asked her to tell no one," he said.

In December 1990, Mr. Bush disclosed to John Major, the successor to Ms. Thatcher, the entire military plan, including the date the air war was to start.

"We had given no order yet to our military, nor had we discussed it with other government officials," Mr. Bush wrote.

When Mr. Saddam first invaded Kuwait, the Bush administration was surprised. In fact, on the eve of the Iraqi invasion, Mr. Scowcroft wrote, "diplomacy seemed to be working, if slowly."

On Aug. 2, 1990, with the invasion under way, Mr. Bush faced the press and was asked whether intervention was being considered. He wrote that he did not want his first words to be a threat, so he responded that he was not contemplating intervention. "The truth is, at that moment, I had no idea what our options were," Mr. Bush wrote.

In his diary on Aug. 28, 1991, the day after the fighting stopped, Mr. Bush noted that he had "no feeling of euphoria."

"It hasn't been a clean end; there is no battleship Missouri surrender," he wrote. "This is what's missing to make this akin to WWII, to separate Kuwait from Korea and Vietnam."

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**TribTech****Big-Screen TV Is Getting Thinner**

By Miki Tanikawa  
Special to the Herald Tribune

**T**OKYO — The advance of technology has led to the miniaturization of most consumer-electronic devices. Camcorders, compact disk players, cellular phones and other electronic devices have shed pounds to become slimmer and handier. But one home electronic product has remained a bulky, onerous object that claims a massive space in the living room: the television set.

Now, Fujitsu Ltd. and other Japanese manufacturers are betting that a new technology — the plasma display panel, or PDP — will be the next big thing in home television once the wide, flat screens that can be hung on walls become affordable to middle-class families. Sony Corp., Canon Inc. and others are experimenting with competing formats for display panels that are similarly thin and suited for multimedia use.

Wide-screen plasma display panels have been available since 1996 for commercial use, mostly at airports and train stations, but Fujitsu, the leading manufacturer with a worldwide market share of 87 percent, is confident the screens, which currently cost more than 1 million yen (\$7,160) for a 42-inch (107 centimeter) model, will break the watershed price of 500,000 yen — considered the maximum price for the home market — as early as 2000.

Analysts say that Fujitsu's new technology, the Alis drive system, has nearly overcome PDP's major weakness — the lack of brightness — so that the only thing in the way of commercial success is price. In a plasma display, neon gas is sealed between two sheets of glass in minute cells. Electric pulses



ALIS drive方式 (42型HDTV用ガラス-PDP)

Fujitsu is betting that its new plasma-display panel technology will be the next big thing in home television.

cause the gas atoms and electrons to separate. When the gas atoms and electrons recombine, ultraviolet rays are generated that hit fluorescent substances placed on the other side of the glass. The substances, which come in red, blue and green, then emit light.

In a conventional cathode-ray tube television, an electron gun shoots a beam that scans the back surface of the screen coated with fluorescent substances. The gun must be positioned further back to accommodate larger screens because it cannot cover too sharp an angle. This makes conventional television sets deep and heavy.

There are few such physical limitations to making plasma display panels larger, according to Fujitsu, which plans to make screens measuring up to 72 inches diagonally.

Fujitsu's 42-inch display is only 6 inches deep, but because the creation of images takes place within a 0.1 millimeter space between the glass sheets, the potential for making the panel even thinner is great, according to Kazuaki Kita, director of the PDP promotion division at Fujitsu. He said that the plasma display panel could in theory become as thin as the two glass sheets combined, which is about 6 millimeters. Such an



ultrathin panel would be possible once the technology exists to imbed computer chips in the glass, Mr. Kita said.

Once the display panels become a two-dimensional concept, they could easily be imbedded on a desk, table or sliding screen or become a detachable unit that could be carried by hand like a painter's canvas and placed anywhere. Fujitsu foresees a day when PDPs may become a touch-panel screen so that users can manipulate different menus on a giant screen at the same time.

Fujitsu produces 5,000 PDPs per month and will raise that to 10,000 by spring when it begins mass-producing the new type of screens that use the Alis drive system that enhances picture resolution and brightness.

Viewers complained that the pictures on the conventional plasma panels were not bright enough compared to the cathode-ray television, but analysts generally agree that with the recently announced technology, Fujitsu has closed an important gap.

Matsushita Electric Industrial Co. and Pioneer Electronic Corp. are developing their own plasma display panels, while Philips Electronics NV and Hitachi Ltd. have recently announced cooperative tie-ups with Fujitsu on PDP development.

Meanwhile, Sony and Sharp Corp. have formed their own bloc to jointly develop what they describe as the plasma-address liquid crystal screen, which resembles liquid-crystal display but is suited for large screens.

**Dreams of X-Ray Vision May Become Reality**

Baltimore Sun

Many people would like to have X-ray vision, just like Superman: Contractors would love to see through walls to the studs, pipes and wires behind them. Police officers would be safer if they could see through closed doors. And drivers would relax some if they could see the curbs, posts and recycling bins their mirrors cannot reflect.

X-rays are too dangerous and costly. But recent advances in low-power radar technologies are driving the development of new devices that may soon fulfill these wishes and more, at affordable prices.

Their inventors say the potential market can be measured in the billions of dollars. And some of the first applications are getting closer to commercial production.

At the Georgia Tech Research Institute, Gene

Greneker's "radar flashlight" can detect human breathing through 8 inches (20 centimeters) of cinder block. "With the interest we have had on this, we could have already sold a thousand if we had them," he said.

Zircon Corp., a privately held, California-based company that has sold 20 million old-fashioned electronic stud finders, is pumping big money into developing a radar version.

American Inc. of Monrovia, California, is working on a radar system that can warn drivers before they back into a wall or a child. The systems may become cheap enough, at roughly \$100, to be commonplace in new cars.

Long-range radar systems are expensive and power-hungry. The new short-range radars are relatively cheap and can run on batteries.

High-Tech Research Institute, Gene

**GIVE A KID A HAND**

**T**he first five years of a child's life are critical, the experts tell us. That's when their characters are formed. That's when caring counts. Someone to show them how to do things. Someone just to hold them. Unfortunately, for many of the world's children, that's just what they don't get. And society suffers as a result — because a deprived child has a lot less chance of growing up an adjusted adult. Some of us

believe we can change things — or at least try. And we need your help. No, don't reach for your pocket. It's not your money — it's you we want. In your community there are dozens of ways you can make personal contact with kids and make a difference to their lives. Maybe you'll help one to read, to play a game, to learn, to laugh. Maybe you'll just be the hand that holds out a little hope...

**COME ON — HELP US GIVE A KID A HAND**

**TECHNOLOGY INDEX**

A glance at technology stock indexes around the world			
	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange	296.71	+2.15	
Technology	820.45	+17.21	
Standard & Poor's Technology Composite			
Europe			
Morgan Stanley Eurotec	565.28	+46.75	
Asia			
Topix Electric	1614.66	-1.79	

Sources: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.iht.com>. Articles include:

- New U.S. Rocket Fails First Flight, Aug. 28
- IBM Said to Seek Buyer for Global Network Operation, Sept. 2
- SAP Shares Hit by Suit Over Failed Texas Firm, Aug. 28
- Boeing Takes Action to Reverse Its Losses, Sept. 2
- Telekom Weathers Asian Crisis, Aug. 28
- Alcatel Chief Severs Ties to Aerospace, Sept. 1
- Cell Phones Help Lift Profit at Telefonica, Sept. 2

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to [tribtech@iht.com](mailto:tribtech@iht.com).

**ALT /Commentary****Administration Failing Own Web Privacy Tests**

By Jeri Clausing  
New York Times Service

**W**ASHINGTON — When it comes to on-line privacy, it seems that the Clinton administration has not been practicing what it preaches.

Only a handful of the administration's sites on the World Wide Web post the kinds of privacy guidelines that the Federal Trade Commission recently criticized businesses for failing to post, and none of its sites offer the special protections for children that the government recommends for commercial sites.

Even the White House Web site does not meet the standards recommended by the commission and endorsed by the administration.

For example, the White House site collects electronic mail addresses — and in some cases, home addresses — through links that allow visitors to send electronic messages to President Bill Clinton, Hillary Rodham Clinton, Vice President Al Gore and Tipper Gore.

Yet, it does not provide any notice about how that information will be used by the White House. Nor does the site ask visitors to its special children's pages to consult their parents before divulging personal information, as the administration has recommended.

Unlike operators of commercial sites, federal organizations do not collect or sell personal data for marketing purposes. The issue, critics say, is more one of leading by example.

The administration has endorsed child-protection legislation that was introduced in response to the trade commission report.

Yet, despite the administration's support for these measures, the White House Web site collects information from children without parental notification. Within a special children's section on the site, a White House tour led by cartoon caricatures of the "First Pets," Buddy the dog and Socks the cat, ends with an invitation to send e-mail to Mr. Clinton, Mrs. Clinton and Mr. Gore.

The electronic form asks for the sender's name, age, e-mail address, grade at school, the school's name

and, from those visitors who want a response, a home postal address. The site does not advise children to ask their parents before divulging that information.

The White House, the vice president's office and Mrs. Clinton's press office did not respond directly to questions about the Web sites' lack of a posted privacy policy. But administration officials stressed that in May, Mr. Clinton ordered the Office of Management and Budget to con-



duct an agency-by-agency review to ensure that new technologies were not violating the Privacy Act or otherwise eroding privacy protections.

Mr. Clinton's top adviser on Internet issues, Jim Magaziner, said last week that the administration was working "to get its own house in order." Mr. Magaziner also noted that unlike the private sector, government agencies are bound by the Privacy Act to protect personal data, although the White House is exempt.

**SITES**

Federal Trade Commission documents concerning on-line privacy:  
[www.ftc.gov/opp/privconf.htm](http://www.ftc.gov/opp/privconf.htm)

European Union information on the privacy of personal data:  
[www.privacy.org/pilintl/orgs/eu\\_dp\\_directive\\_final.txt](http://www.privacy.org/pilintl/orgs/eu_dp_directive_final.txt)

**BRIEFLY**

**HAL, SEARCH THE WEB:** Searching the Internet is inevitably an exercise in information overload.

Type a single word and you are likely to get thousands of hits, only a handful of which are pertinent to your actual field of interest.

But what if you could pose a question to the search engine in plain English, in the same way that you might pose a question to the research librarian at your local library? And what if the search engine could understand the question and respond to it precisely?

Kathleen Dahlgren, a computational linguist, and her colleague, Edward Stabler, contend that they have built exactly such a search engine, which they recently patented.

The system, dubbed Inquist, is based on natural-language searching, which means that it retrieves and stores information in much the way that people talk. "We model the way people interpret the meanings of a word — through context," Ms. Dahlgren said. "We search on meaning by using grammar and structure and semantics. Every word has associated with it a set of beliefs."

Thus, Ms. Dahlgren said, a query such as "What kinds of wood are bats made of?" would probably yield documents having to do with baseball bats and hickory.

On the other hand, a query using identical key words with vastly different meanings — "Do bats live in the woods?" for example — would yield documents about species of bats that live in trees.

Thus far, Inquist has been financed by a U.S. Army research grant, private investors and "sweat equity," accord-

ing to Ms. Dahlgren. The project received patent No. 5,794,050. (NYT)

**SPAM, AND THEN SOME:** In the New Oxford Dictionary of English, published Thursday, a number of computer-related terms have made the transition to everyday English, at least as it is defined by Oxford University Press. One of these words is "spam."

The new dictionary defines "spam" as "irrelevant Internet messages sent in large numbers of people." The Coalition Against Unsolicited Commercial E-mail calls spam "an unfortunate term for an ever-more-unfortunate practice."

"Not only do spammers steal our resources by making us bear the cost of their transmissions, they've managed to steal a respected trademark from the Hormel Company," said John Mozena, a member of the anti-spam coalition's board. "Spam is only digestible if it comes on bread, not over the Net."

The inclusion of "spam" in the dictionary underscores the degree to which junk e-mail has become an inescapable part of the Internet experience, Mr. Mozena said.

"I guess it's official," he said. "Spam is now officially not just for breakfast any more."

**ON-THE-JOB TRAINING:** Too many information technology jobs, not enough trained employees — the story is getting to be an old one. But many



It's not just a food anymore.

and is now at the academy. "It's what you're willing to learn."

After graduating this year with a bachelor's degree in finance, Mr. Manganel knew that he did not want to go into something like investment banking. The nine-week SCT program is preparing him for a job testing software, and he hopes to end up in one of the company's offices in Europe. (WP)

**UNBREAKABLE:** At least 6,000 computer hackers from around the world failed to break into a Hungarian computer safety company's Web site, organizers said Wednesday at the end of a four-month competition on the Internet.

The company, Telnet Hungary, had put up a prize of 1 million forints (\$4,500) for anyone who could break the code for its [hacking.telnet.hu](http://hacking.telnet.hu) Web site.

At hackers' request, it even extended the original two-week competition to four months, but none of the approximately 6,000 visitors to the site managed to break the code, the company said.

The prize money will now go into further development of computer safety systems, it added. (AFP)

**WAS IT GOOD FOR YOU?** For any curious observer of the business world who sits before Mark Cuban, president of Broadcast.com Inc. in Dallas, the most pressing question is probably: What was going through his mind on July 16 as he watched the stock price of his company shoot from \$18 to \$74 before settling at \$62.75, the best first day for an initial public offering in history?

"Oh my God, this is really cool," he recalled thinking as he watched his personal net worth — on paper, at least — rise to \$300 million.

"I've never been married, but I guess that feeling I had that day was similar to what a groom would feel at the altar," Mr. Cuban said. "I've never been the No. 1 draft pick for the NFL or NBA, either. Actually, that's probably even closer to the point."

In late trading Wednesday, shares of Broadcast.com were trading at \$58.125, off more than 39 percent from the first-day close. (NYT)

**Wednesday's 4 P.M. Close**  
The 2,400 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press.

12 Month High Low Stock Div Yld PE 100s High Low/Lated Chgs

12 Month High Low Stock Div Yld PE 100s High Low/Lated Chgs

12 Month High	Low	Stock	Div Yld	PE	100s High	Low/Lated Chgs	12 Month High	Low	Stock	Div Yld	PE	100s High	Low/Lated Chgs	12 Month High	Low	Stock	Div Yld	PE	100s High	Low/Lated Chgs
224 214 AACR	12	AACR	.34	12	240	-25	224 214 AACR	12	AACR	.34	12	240	-25	224 214 AACR	12	AACR	.34	12	240	-25
274 262 AADM	24	AADM	.23	24	216	-10	274 262 AADM	24	AADM	.23	24	216	-10	274 262 AADM	24	AADM	.23	24	216	-10
119 770 ACIN	100	ACIN	.001	100	95	+10	119 770 ACIN	100	ACIN	.001	100	95	+10	119 770 ACIN	100	ACIN	.001	100	95	+10
77 476 ACIN	20	ACIN	.001	20	19	-1	77 476 ACIN	20	ACIN	.001	20	19	-1	77 476 ACIN	20	ACIN	.001	20	19	-1
174 773 ACMH	100	ACMH	.001	100	95	+10	174 773 ACMH	100	ACMH	.001	100	95	+10	174 773 ACMH	100	ACMH	.001	100	95	+10
274 274 ACT	24	ACT	.001	24	23	-1	274 274 ACT	24	ACT	.001	24	23	-1	274 274 ACT	24	ACT	.001	24	23	-1
384 229 AFLAC	20	AFLAC	.001	20	19	-1	384 229 AFLAC	20	AFLAC	.001	20	19	-1	384 229 AFLAC	20	AFLAC	.001	20	19	-1
274 179 AGC	100	AGC	.001	100	95	+10	274 179 AGC	100	AGC	.001	100	95	+10	274 179 AGC	100	AGC	.001	100	95	+10
174 179 AJ	10	AJ	.001	10	9	-1	174 179 AJ	10	AJ	.001	10	9	-1	174 179 AJ	10	AJ	.001	10	9	-1
174 179 AKAM	100	AKAM	.001	100	95	+10	174 179 AKAM	100	AKAM	.001	100	95	+10	174 179 AKAM	100	AKAM	.001	100	95	+10
274 179 ALAC	10	ALAC	.001	10	9	-1	274 179 ALAC	10	ALAC	.001	10	9	-1	274 179 ALAC	10	ALAC	.001	10	9	-1
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## Russia's Options Narrow

### Steps Once Seen as Radical Gain Currency As Economy Slides Further Into Disarray

By Sylvia Nasar  
New York Times Service

Plan A, a \$23.6 billion program courtesy of the International Monetary Fund, failed in less than four weeks. Plan B, a devaluation and debt moratorium cobbled together by young Russian reformers, collapsed within days. Neither prevented investors from fleeing or citizens from turning every ruble they had into dollars.

Now, the central bank of Russia is nearly out of dollars, banks are out of cash and the government is not just in default on its loans, but for most practical purposes, bankrupt. And those who have ridden to the rescue of Russia before—the IMF, the United States, the Group of Seven industrialized democracies—are ruling out a bailout.

So what options are left?

Even as Russia struggles to form a new coalition government, some prominent Western economists are proposing measures that would have been dismissed as extreme a few weeks ago.

Economists outline three possible courses of action for Moscow: Take the populist path of tightening direct control over the economy, including foreign-exchange controls that would make it difficult to convert the ruble into dollars or Deutsche marks. Or strike a deal with the monetary fund, paying at least lip service to tight money, budget-balancing and orderly debt-restructuring. Or, most radically, link the nation's finances to a strong foreign currency like the dollar.

The last two proposals, both intended to preserve access to foreign capital, could be pursued simultaneously.

The trouble, many experts say, is that the choice Russia seems to be leaning toward—the populist package—seems the most likely to lead to hyperinflation, social unrest and a lurch toward nationalism.

Consider that option first. Communists in Parliament are talking about a full retreat from a market economy, including nationalizing banks to protect depositors, renationalizing major industries to raise output and government revenue and instituting price controls to protect the ruble and dampen inflation—all to bring a sense of order to daily living.

Their plan involves foreign-exchange controls that would ban dollar-denominated bank accounts abroad and force exports to sell their foreign currency to the central bank at a fixed rate. The hope is that by making it impossible to buy dollars, the Russians could stem capital flight and stabilize the ruble.

Although most Western economists deplore exchange controls, some believe that they may be the lesser of evils.

Others disagree. Paul Krugman, an international economist at the Massachusetts Institute of Technology, who recently wrote an article for Fortune magazine advocating exchange controls in several Asian nations, said he thought

that they would fail in Russia. In his view, Russia's oligarchs—the tycoons who control the biggest banks and businesses—would easily circumvent them.

There are other problems. Foreign-exchange controls risk triggering inflation by giving the central bank a free hand to print more rubles. At best, the government could keep inflation at bay with Soviet-style shortages and rationing.

Moreover, a heavy dose of state intervention would fuel capital flight and scare off foreign investors. And it would certainly cost Russia the rest of the \$22.6 billion IMF loan package announced in July. Exchange controls violate the IMF charter.

A second alternative would be a modified version of the IMF program. That would please Washington, which contends that if Russia would just push ahead with the reforms in taxation, banking and other areas stipulated by the IMF to restore confidence in the ruble, the West would be willing to lend more money. There is just one problem. This hope-for-the-best approach flies in the face of political reality as it has unfolded since President Boris Yeltsin changed his prime minister, replacing Sergei Kirienko, an advocate of rapid Westernization of the economy, with the more conservative Viktor Chernomyrdin.

What really stands in the way of fiscal reform is Russia's failure to develop a separate government budget, central bank and private sector. "There's one common pot, one budget, one credit card which is more or less used for all transactions," said Alvin Rabushka, an economist at the Hoover Institution at Stanford University, a public-policy research group. "In Russia, all losses and debts are passed back to the federal budget and the central bank."

That is why money from abroad is probably not the answer. Any cash the IMF pumps into Russia has been lent by the central bank to banks that promptly exchange rubles for dollars. Such assistance just increases the pressure on the ruble and capital flight.

The third option for Russia, admittedly a desperate one, would be to give up all pretense of trying to control the value of its currency by linking the ruble tightly to a hard currency like the dollar and in effect replacing its central bank with a currency board. Under such an arrangement, the supply of rubles in circulation would have to be fully backed by dollars and convertible, on demand, at a fixed rate of exchange.

In effect, Russia would be handing

over control of its money supply—which would fluctuate with the amount of dollars available—to the chairman of the U.S. Federal Reserve Board, Alan Greenspan.

Until recently considered an appropriate strategy only for small economies that rely heavily on international trade, the currency-board proposal is gaining supporters among Western experts.



A Northwest Airlines pilot, Bill Bard, walking the picket line at the Memphis, Tennessee, airport on Tuesday.

## Russia's Woes Are South Africa's, Too

By Donald G. McNeil Jr.  
New York Times Service

DURBAN, South Africa — In the 1980s, the apartheid government was obsessed with fear that it would be overrun by Communist-backed black guerrillas, and it presented the Soviet Union as a vast menace that justified brutal oppression.

"The truth is, it never was much of a threat," said Sampie Terreblanche, a political economist at Stellenbosch University here. "Now, in the new South Africa, the collapse of the new Russia seems to be quite threatening."

The current economic trouble in Russia has hit South Africa hard, dealing a sharp blow to an emerging economy already hurt by the Asian troubles.

On Wednesday, the benchmark Johannesburg Stock Exchange index finished at 4,911.53 points, down 41 percent from its high of 8,359 on April 20. The rand has also fallen. The dollar, which was even with the rand in 1982, was worth 6.3265 rand Wednesday.

Gold, a major export that stood at \$278 an ounce Tuesday, hit \$273 an ounce last week, its lowest price since 1985.

Interest rates have soared. Mortgages are now at 23.5 percent, and the prime rate is 25.5 percent, both records.

The cost of borrowing has risen for the government, too. Long-term government bonds sell at yields of nearly 22

percent. In April, they were at about 12 percent.

In some economists' view, South Africa is just another victim of investor nervousness about emerging markets. But to others, this particular difficulty is worse because its roots are in Russia. Russia exports many of the same commodities that South Africa does: gold, diamonds and strategic metals like palladium and titanium. Both also export weapons.

"The obvious concern is commodity price fears," said Dennis Dykes, the chief economist at Nedcor, a bank holding company. "Russia may sell all it can, driving prices down."

The old adage that gold does well in bad times does not apply now. "Panics in the 1970s were inflationary scares. This is a deflationary environment," Mr. Dykes said. "Gold is the last thing you want to own. People fly into dollars or Deutsche marks."

While South Africa has been battered by global markets, its self-off had a local trigger: the bomb blast at a Planet Hollywood restaurant Aug. 25 in Cape Town. One person was killed and 27 wounded.

To foreign investors, the Achilles heel of South Africa is political instability. Thanks largely to President Nelson Mandela's popularity, the government seems quite secure for the moment, despite growing anger about high crime rates. The bomb may turn out to be the work of a few cranks, but it exploded at a touchy time.

South Africa has suffered more than some other emerging markets because steps taken since the elections of 1994 to draw foreign capital into this long-isolated country have also made it easy for that capital to flee. Unlike the currencies of India or China, Mr. Dykes pointed out, the rand is easily sold for dollars. Foreigners can take out as much as they wish.

Despite its links to the world economy, South Africa has a long tradition of going its own way. Economically, Mr. Terreblanche said, its "40 fat years" were from 1934, when abandoning the gold standard pulled it out of the Great Depression ahead of other countries, to 1974.

After that, the struggle to preserve

the economy led to capital flight, sanctions cut off foreign investment and the wars against guerrillas sapped the state's resources.

Recovery has been slow.

"Since 1974, it's lean years," Mr. Terreblanche said. "We've had an average of 1.4 percent GDP growth and 2.5 percent population growth, so we've been in creeping poverty for 24 years."

That disparity — slow economic growth versus rapid population growth — will probably bedevil governments of the African National Congress for years to come, he said.

## 27,500 More Laid Off by Northwest

### Airline Cancels Flights Through Labor Day

Copied by Our Staff From Despatch

MINNEAPOLIS — Northwest Airlines Corp., the fourth-largest American airline, on Wednesday canceled all its flights through the Labor Day holiday weekend and laid off another 27,500 workers because of a strike by its pilots' union.

The layoff affects mechanics, flight attendants, customer service employees and other ground workers. Northwest's first layoffs, announced Tuesday, covered 177 workers. Northwest said more layoffs among its approximately 50,000 employees might follow.

The carrier said it would make no American and Canadian flights through Monday and no flights from Europe and Asia through Tuesday. The pilots struck the airline late Friday after failing to agree with management on a new labor contract.

The Air Lines Pilots Association, which represents the carrier's 6,200 pilots, said a national mediator was talking with union leaders about when to reconvene the contract talks, which broke off after the strike.

On Tuesday, Transportation Secretary Rodney Slater met for almost five hours with representatives of Northwest and the pilots. At the meeting, Mr. Slater urged the parties to resume talks under the auspices of the chairwoman of the National Mediation Board, Maggie Jacobsen.

Both parties said Tuesday there was room for negotiation. The two sides are separated on issues of pay and job security.

Because of the layoffs, the airline will need eight to 10 days to resume a full flight schedule when the strike ends, a spokesman for the company, Jon Austin, said. The laid-off employees were told they would not be paid for time lost and were not to report for work until called back by the airline.

Northwest normally carries nearly 150,000 passengers and 2.9 million pounds (1.3 million kilograms) of cargo a day on 1,700 flights in North America, Europe and Asia.

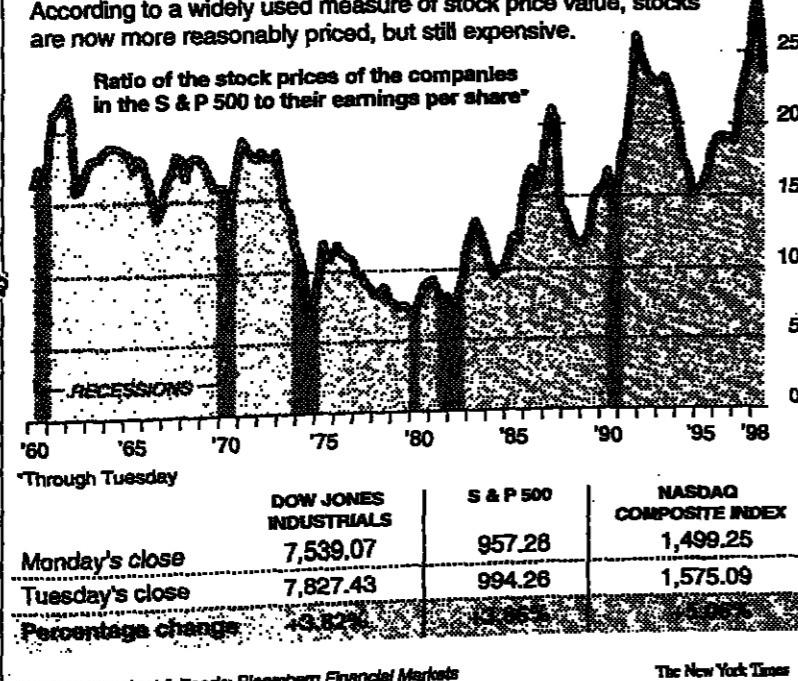
On Tuesday night, talks broke down between Air Canada and its 2,100 pilots over issues of pay and working conditions, forcing the airline to cancel all of its flights worldwide.

The strike is the first in the Air Canada Pilots Association's 61-year history. Air Canada, said no talks were scheduled.

She said the airline had negotiated agreements with other carriers to have Air Canada tickets accepted at face value.

### Still Overpriced?

According to a widely used measure of stock price value, stocks are now more reasonably priced, but still expensive.



### WALL STREET WATCH

## Stocks' Volatility Provides a Dose of Reality to Market

By Gretchen Morgenson  
New York Times Service

NEW YORK — The smoke from the stock market shoot-out of recent days has finally begun to clear, and investors are asking: Where do we go from here?

History, a usually useful guide, tells us that Septembers are not typically stellar months for stocks. László Birinyi at Birinyi Associates says that since 1915, the average performance of the Dow Jones industrial average during September is a decline of 0.74 percent. Septembers have also become known as a month in which many corporations warn investors of coming shortfalls in earnings.

But while investors fasten their safety belts in front of further turbulence in stocks, it is worth noting that the overall market looks a lot saner now than it did in July, when the averages peaked.

For instance, weakness in the elite group of blue-chip stocks that had been leading the market higher — names like Coca-Cola Co., General Electric Co. and

Microsoft Corp. — means that the narrowness of the market's moves is less pronounced than it was in July and August.

The strongest market advances, strategists say, are those in which large and small stocks rise. This was the case in the Dow's run to 9,337.97 points in July; it left small stocks in the dust.

According to Aronson & Partners, a money management firm in Philadelphia, big-name stocks that make up the Standard & Poor's 500 index outperformed the smaller companies found in the Russell 2000 index by 27.5 percent in August. Septembers have also become known as a month in which many corporations warn investors of coming shortfalls in earnings.

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It takes time, of course, for lowered

earnings expectations to show up in share prices. A surge Tuesday in stocks left the average price/earnings ratio

the most common investor measure of a stock's value — on the S&P 500 at 23.66. This is by no means cheap on a historical basis — the price-earnings ratio on the S&P averages 16.3 going back to 1975. It was the case in the high of 28.7 in the second quarter, a level never before seen.

Another positive sign in the market is that investors are reducing their excesses as margin debt, these borrowings known as margin debt, these borrowings have reached record levels this year.

Still, investors looking to find their footing in an enormously tricky market may be able to take some comfort in knowing that the turbulence they have just been through is far worse than that of the 1990 bear market. In some cases, the carnage exceeds that seen in the crash of 1987.

John Manley, equity strategist at Salomon Brothers Inc., noted that the S&P 500 index had slumped 12 percent in the previous five trading days. That performance is equal to the trauma that took place in the week of the October 1987 crash and matches the worst sell-offs for a five-day trading period going back 30 years. For these reasons, Mr. Manley said the market could be near a bottom, if only in the short term.

effects on the market are calming; fewer investors on margin means fewer investors with their fingers on the "sell" trigger as stocks go down.

Nobody is claiming that stock-market volatility will go away. The fact that the market averages are still at high valuation levels going into what could be weak third- and fourth-quarter periods for earnings remains perhaps the biggest threat to stock stability.

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Consider what happened in November 1996, when rumors ran through Wall Street that Ms. Cohen was about to issue a new, bearish report on the market. The rumors sparked a sharp sell-off, with the market slumping about 65 points, until Ms. Cohen hastily arranged a conference call to deny the rumors. At the end of the day, the market was up 35 points.

In a report issued Tuesday, Ms. Cohen struck a positive note. "We expect little impact on U.S. economic growth, corporate profitability and cash flow." And "most importantly," she added, "we do not expect global recession this year or next."

Pulls the plug, we'll see the market follow her down. She says she has no impact on the market, however there are folks who pay attention to her and trade based on what she says."

"If she went bearish, it would shock the market a lot," said David Mead, chief investment officer of Chicago-based Harris Bank.

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# Woes Over Hip Rebounds

## Will Russian Crisis Cast a Pall Over the Birth of the Euro?

By Anne Swanson  
Washington Post Service

**PARIS** — At the Doux chicken factory near the town of Chateaulin in western Brittany, the French managers know how to handle Russian clients. Ever since Doux began selling to the formerly Communist world in 1990, Russian customers have had to pay in advance.

In one way, then, Doux is sheltered from the Russian financial turmoil, which has deprived Russians of money to pay or banks to transfer that money. The previously ordered frozen chickens being boxed up now have already been paid for.

But the flow of orders from Russia has stopped. They had accounted for 4 percent of total sales. No more

sales to Russia are expected soon. "We preferred to be prudent, and we are happy about that now," said the Doux factory's commercial director, Jean Conedic. "It's quite worrying over there. We are sending what was already confirmed. Like everyone, we are waiting."

The chickens of Doux symbolize, in a sense, how Western Europe is prepared for the financial meltdown to the East. All necessary preparations have been made. The economies of Europe could not be in better shape to weather any crunch. But some impact is inevitable under the best of circumstances.

Russia's crunch comes at a crucial time for Europe. Eleven of the 15 member nations of the European Union are preparing to abandon their national currencies for one, the

euro. The first formal stage of the process occurs at the end of the year, when exchange rates between members' currencies are to be frozen and the euro begins floating against the dollar and other currencies on the international financial markets.

In one way, these are dangerous times to launch a new ship into international financial waters. It is when markets are fluctuating and economies are ailing that currencies are most vulnerable to speculation. Some think that Europe is far too complacent about the dangers now posed to the euro, which is politically dependent on healthy economies within the member countries.

"I think there is too much optimism in Europe. They are looking at forecasts of 2.5 percent or 3 per-

cent growth as if the rest of the world didn't have a significant downturn. So there is an awakening to come in Europe, just as we've had in the U.S. over the past two months," said Rüdiger Dornbusch, an economist at the Massachusetts Institute of Technology.

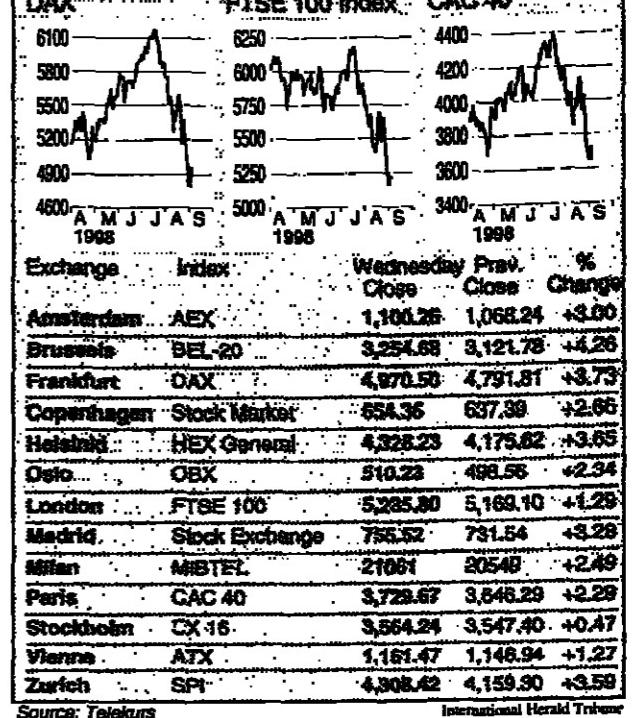
Viewed another way, however, the single currency has provided the impetus for major economic reforms that now give Europe the wherewithal to weather the turmoil. As a condition of euro membership, nations have had to reduce inflation and budget deficits and demonstrate stability of exchange rates and interest rates.

In some countries this process has produced astonishing, if not necessarily permanent, results. Italy, which imposed a special "euro tax"

and reduced spending a bit, saw its budget deficit go from 7 percent of gross domestic product in 1995 to 3 percent now, while inflation was cut in half.

Though unemployment remains high in Euroland, the informal name for the 11 countries that will launch the euro, most Continental economies are only now entering a period of healthy economic expansion. The American expansion, by contrast, is more than seven years old.

"Europe is more sheltered than if we had not created this collective currency," said Dominique Strauss-Kahn, the French finance minister. "If the countries of the euro are relatively sheltered from the crisis, it is because the euro is a kind of lightning rod."



Source: Telekurs International Herald Tribune

### Erotica Retailer, Europe's Largest, Set to Go Public

Compiled by Our Staff From Dispatches

**FLensburg, Germany** — Beate Uhse, Europe's largest retailer and mail order distributor of erotica, will go public in the first half of 1999, the company's founder and supervisory board chairwoman, Beate Rotermund, said Wednesday.

The chairwoman, 78, said that as part of the flotation, two new board members would be appointed from outside the company, one of whom would be solely responsible for finances.

Hans-Dieter Thomsen, a board member, said the flotation was being viewed positively and the company would not be put off by the current crises on the world's stock markets.

The current management board chairman, Ulrich Rotermund, 49, will withdraw from day-to-day operations and take a seat on the supervisory board, the company said. He will be replaced by his long-standing deputy, Mr. Thomsen.

Mr. Thomsen said Beate Uhse planned to achieve sales of some 170 million Deutsche marks (\$97.4 million) this year with a work force of 600.

### Total's Net Steady Despite Oil-Price Drop

Increased Output, Gains in Dollar and Higher Margins in Refining Help French Giant

Compiled by Our Staff From Dispatches

**PARIS** — Total SA said Wednesday that its first-half earnings were little changed from a year earlier as increased oil production, a stronger dollar and better refining margins helped the French energy company resist the effects of lower crude oil prices.

Total said its net profit eased to 3.97 billion French francs (\$677.2 million) from 3.98 billion francs a year earlier. But sales fell 14 percent to 82.3 billion francs, the company said.

Total, the world's ninth-largest publicly traded oil company, said crude oil prices averaged \$13.65 a barrel in the first half, down 30 percent from \$19.58 a barrel a year

earlier. But the company said the effect of lower oil prices was largely offset by a rise in the dollar to an average of 6.06 francs from 5.70 a year earlier, and a 7 percent rise in energy production.

International oil transactions are denominated in dollars, so the rise in the U.S. currency lifted Total's sales in franc terms and widened the profit margins in its European refining operations.

Total said refining margins at its European operations increased to about \$17 per metric ton from about \$16 a year earlier.

"Total showed in the first half of 1998 its capacity to resist the fall in crude oil prices," the company said.

"Despite a deteriorating oil envir-

onment, which remains volatile, the group reaffirms its aims of growth and profitability, thanks to the robust nature of its project portfolio."

But the company said it would continue its policy of considering only exploration and production projects with a low profitability threshold.

"It's a pretty good performance, given the situation with oil prices," said Keith Morris, an analyst with BNP Equities. "They've been making some good efforts internally with costs. But they're still coming back from several years in which profit was miserable."

Total shares closed at 566 francs, up 10 francs. (AFP, Bridge News, Bloomberg)

### Asia Crisis Hurts Norway Shipbuilder's Profit

Compiled by Our Staff From Dispatches

**OSLO** — Kværner ASA said Wednesday that its first-half profit dropped 69 percent from a year earlier as the economic crisis in Asia and other parts of the world cut demand while costs rose.

The largest European shipbuilder said it earned a net 190 million kroner (\$24.5 million) in the first six months, down from 605 million kroner a year ago. Pretax profit fell

to 266 million kroner from 840 million kroner.

But sales rose to 40.44 billion kroner from 33.09 billion, helping lift operating profit to 1.08 billion kroner from 963 million kroner.

Erik Toenseth, chief executive of Kværner, said that trading conditions for the rest of the year were likely to remain "very difficult" and that he did not expect any significant increase in net profit in the second half.

Kværner shares fell Wednesday to 156.50 kroner from 157. The stock has dropped 58 percent since the start of the year.

(AFP, AFX, Bloomberg)

### WORLD STOCK MARKETS

**Wednesday, Sept. 2**

Daily prices in local currencies.

**Telekurs**

High Low Close Prev.

**Amsterdam** AEX Index 1198.24 1195.85 1195.85 1198.24

ABN-AMRO 44.00 45.01 45.01 44.00

AEGON 12.00 12.00 12.00 12.00

Alcatel 62.00 60.00 61.00 62.00

Alco Nobel 54.00 57.00 57.00 54.00

Alstom 181.00 175.00 175.00 175.00

Amico 55.00 55.00 55.00 55.00

Anglo-Dutch Pet 55.00 55.00 55.00 55.00

DSM 178.00 170.00 172.00 178.00

DTEK 55.00 55.00 55.00 55.00

Enka 55.00 55.00 55.00 55.00

Ernst & Young 12.00 12.00 12.00 12.00

Geberit 12.00 12.00 12.00 12.00

GKN 12.00 12.00 12.00 12.00

Heineken 12.00 12.00 12.00 12.00

Hollard 12.00 12.00 12.00 12.00

Imperial 12.00 12.00 12.00 12.00

Interbrew 12.00 12.00 12.00 12.00

Knorr-Bremse 12.00 12.00 12.00 12.00

Kodak 12.00 12.00 12.00 12.00

Kroon-Oil 12.00 12.00 12.00 12.00

Lotte 12.00 12.00 12.00 12.00

Mitsubishi 12.00 12.00 12.00 12.00

Nestle 12.00 12.00 12.00 12.00

Philips 12.00 12.00 12.00 12.00

Unilever 12.00 12.00 12.00 12.00

Vivendi 12.00 12.00 12.00 12.00

Willys 12.00 12.00 12.00 12.00

Witboer 12.00 12.00 12.00 12.00

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NASDAO

**Wednesday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

NYSE

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**Wednesday's 4 P.M. Close**  
**(Continued)**

## ASIA/PACIFIC

# Seoul Tries to Tackle 'Spiral of Recession'

*Stimulus Plan Aims to Perk Up Economy*

By Don Kirk  
International Herald Tribune

SEOUL — The government on Wednesday announced a broad package for pumping new life into a dangerously sluggish economy, which recorded a 6.6 percent annualized drop in second-quarter gross domestic product.

The plan calls for investing heavily in government projects, easing credit restrictions, lowering interest rates and increasing the money supply to stimulate industry, consumer spending, real estate and banking.

Finance Minister Lee Kyn Sung presented the plan to President Kim Dae Jung and his top aides with the warning that "increasing economic uncertainty and the continuing credit crunch are feared to be leading to a vicious spiral of recession."

An economic adviser, You Jong Keun, said that at the meeting he had called for heavy government investment to spur the economy after months of worsening stagnation.

Among other things, the plan seeks to reverse a sharply downward trend in corporate investment by extending \$4.7 billion in new loans, including \$2.7 billion from the Korea Development Bank and another \$2 billion from the U.S. Export-Import Bank.

"We should not be too cautious in this time of a rapid deflationary spiral," said Mr. You, likening the struggle to a military campaign, drawing analogies from the Vietnam and Gulf wars. "We should not replicate the U.S. policy of a piecemeal reaction. We should take the Desert Storm approach. If you commit enough resources, you win the war."

But analysts questioned whether the latest plan will be effective. "It is not enough," said Han Goo, president of the Daewoo Research Economic Institute. "Things will get worse."

Stephen Marvin, chief of research at Jardine Fleming Securities, said the plan was "tiny compared to what needs to be done" — forcing money-losing companies to shut.

Placing domestic corporate debt at about \$500 billion, Mr. Marvin said that Korean leaders lack the political will to stop supporting the losers with new credit.

Mok Young Chung, banking analyst at ING Baring Securities, warned of the danger of deflation

exacerbated by an increase in non-performing loans. The Finance Ministry plan "will generate pressures on the economy" that might worsen the problem, he said.

One of the plan's priorities is to generate consumer spending, which dropped 12.9 percent in the second quarter.

To achieve that goal, the Bank of Korea dropped the rediscount rate for commercial banks from 5 percent to 3 percent, enabling them to extend credit at lower rates. The Finance Ministry also promised to increase the amount of money in circulation by 25 percent.

The plan also seeks to bolster small and medium-size enterprises, among the hardest hit by recession, by raising the total ceiling on loans by nearly \$2 billion.

At the same time, Korea's top five conglomerates were expected to announce a consolidation of some of their money-losing entities, another priority of the government.

The Hyundai Group, the country's largest conglomerate, reportedly agreed that Hyundai Oil Co. would take over Hanwha Energy Co., which is on the brink of bankruptcy. Hyundai Heavy Industries was prepared to join with Samsung Heavy Industries and Daewoo Heavy Industries, entities of the second and third-largest conglomerate, on joint production of ship engines, while Hyundai Precision & Industries planned to join with Daewoo Heavy Industries on producing railroad cars.

But executives reportedly wrangled over conditions for merging Hyundai Electronics Industries' semiconductor division with LG Semicon, part of the LG Group, the fourth-largest conglomerate.

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# Hong Kong Plans 2d Exchange

*Government Seeks to Impose Restriction on Short-Selling*

Compiled by Our Staff From Dispatches

HONG KONG — The Hong Kong Stock Exchange said Wednesday that it was setting up a panel to prepare detailed proposals for a second stock market in a move to increase competitiveness and reduce dealing costs.

A second board in competition with the Hong Kong Stock Exchange would end the exchange's 12-year monopoly.

Hong Kong's government, meanwhile, continued its effort to end stock speculation by tightening rules on short-selling.

The stock exchange said after the market closed that it was reinstating the "tick rule," effectively barring short-selling in a falling market. The exchange said the rule change, which needs approval from the Securities and Futures Commission, was aimed at

maintaining an orderly market. Earlier Wednesday, the exchange also moved to clamp down on investors violating existing short-selling rules. In a statement, it said it had temporarily suspended short-selling of shares in HSBC Holdings PLC, Hong Kong Telecommunications Ltd. and China Telecom, with immediate effect.

The exchange made the decision as a result of a huge backlog of unsettled short positions in the three blue-chip stocks, it said in a statement.

The moves to crimp short-selling helped lift the Hang Seng index by 4.15 percent, to 7,355.67 points, its biggest one-day gain since the government began buying stocks in an effort to thwart speculators on Aug. 14.

Short-sellers profit by selling

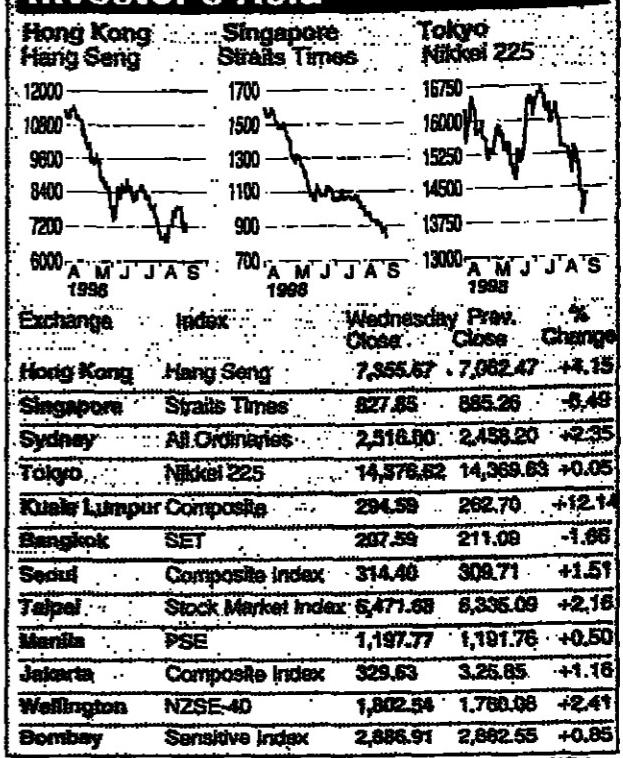
borrowed stocks and then buying them back at a lower price. Stock lenders, typically pension funds, insurance companies, and mutual funds that arrange the sales through a broker, earn money on such trades through the interest rates they charge borrowers.

Brokers said huge short positions were taken out Friday in the belief that the government's two-week buying spree would come to an end and that they would reap huge gains from a major drop in the index on the following Monday.

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Short-sellers profit by selling

## Investor's Asia



Source: Telakur International Herald Tribune

## Very briefly:

• Thai prosecutors have found billions of baht worth of overseas assets belonging to suspects in a Thai bank scandal and ordered them frozen, a Thai newspaper, The Nation, reported. The Nation reported that several politicians were among the suspects in the scandal, which involved borrowing money from the Bangkok Bank of Commerce with insufficient collateral and never repaying it. No names were given. The revelation in 1996 of the extent of the bank's bad debt triggered a loss of confidence in the banking system that led to the floating of the baht a year later, which marked the beginning of the Asian economic crisis.

• Wharf Holdings Ltd., a Hong Kong conglomerate, had first-half net profit of 1.36 billion Hong Kong dollars (\$175.6 million), down 39 percent from a year earlier, when the company recorded a big one-time gain from a sale of stock.

• Indonesia's attorney general's office questioned two top executives of troubled Indonesian banks — Hashim Djohadiukusumo, vice president of Bank Pelita, and Samadikun Hartono, chief commissioner of Mandiri Bank — in an investigation into charges of misuse of liquidity extended by the central bank, the Antara news agency reported.

• Taiwan's economy will grow at 5.32 percent in 1999 — lower than previously forecast — as recession across Asia crimps the outlook for exports, according to the government's Council for Economic Planning and Development.

• Ayala Land Inc., a developer in the Philippines, dropped plans to buy a stake in C&P Homes Inc., the Philippines' largest home builder, citing a collapse in C&P stock. Ayala stock has also plummeted.

• American Home Assurance Co.'s auto insurance revenue in Japan jumped tenfold in the past business year, as motorists responded to price competition for collision insurance. Last September the government stopped requiring insurers to charge uniform rates.

• India's state-owned and private steel companies, facing plunging profits, will begin a joint campaign to revive sales and exports.

AP, AFP, Bloomberg

# Indonesian Airline to Lay Off 3,000

Compiled by Our Staff From Dispatches

JAKARTA — PT Garuda Indonesia said Wednesday that it would lay off at least 3,000 of its nearly 13,000 employees beginning in early October to counter falling passenger traffic and rising costs.

The debt-laden airline has fallen victim to Indonesia's worst economic turmoil in decades.

At the root of Garuda's problem is the weak rupiah — the currency has lost 72 percent of its value against the dollar in the past year, with the dollar at 10,900 rupiah on Wednesday. That makes the parts it buys from foreign suppliers four times more expensive.

Most of the costs of running the

airline, from paying for landing rights abroad to fuel and maintenance, are paid in dollars, while Garuda's sales are primarily in rupiah. That has opened up a chasm between what it spends and what it earns.

Robby Djohan, president of the airline, said the layoff process would be gradual and some workers might be moved to Garuda subsidiaries or to its maintenance facility at Jakarta's international airport. But Garuda plans to sell the \$300 million facility as a cost-cutting measure.

Mr. Djohan said he was confident that creditors would agree with Garuda's proposal to roll over up to

\$300 million of the airline's \$400 million in overseas debt.

"They must accept it," Mr. Djohan told the Jakarta Post. "After all, they gave us short-term loans when they knew that the loans would be used for long-term programs."

Although Garuda has been able to rely on government support in the past, Jakarta is no longer in a position to keep the carrier afloat. Indonesia is struggling to fund basic services and feed its 202 million citizens.

Garuda has cut domestic and international routes. It has raised fares for domestic flights 40 percent and will increase them another 20 percent in December. (Bloomberg, AP)

# Hitachi and Mitsubishi Electric to Close Chip Plants in U.S.

Compiled by Our Staff From Dispatches

TOKYO — Two of Japan's biggest semiconductor makers, Hitachi Ltd. and Mitsubishi Electric Corp., said Wednesday they would close plants and fire workers in the United States because of weak prices for computer memory chips.

Hitachi, Japan's largest electronics maker, said it will combine two of its U.S. units, cutting about 650 jobs and closing a memory-chip plant in Texas. Mitsubishi Electric plans to close a memory-chip assembly plant in Durham, North

Carolina, eliminating 230 jobs.

Memory chips have collapsed in price over the past three years, badly hurting firms that invested heavily in them, banking on high prices and strong demand.

The semiconductor memory market, especially the DRAM segment, has seen a significant loss of revenue over the past three years," Mitsubishi said. "The price per-bit for memory today sits at about 20 percent of the normal trend line needed for a healthy, growing industry."

Hitachi plans to merge its Hitachi Semiconductor unit with Hitachi Micro Systems Inc., based in California, in October. The merged

company will focus on the design and development of microchips, resulting in a net reduction of Hitachi's global microchip output, the company said. Hitachi Semiconductor currently makes memory chips and microcomputers for home appliances.

With the production halt in the United States, Hitachi's production bases for semiconductors now in Japan, Germany and Singapore, it said.

Mitsubishi Electric, meanwhile, said it will close the Durham plant Nov. 6 as part of a plan to centralize memory-chip assembly and test operations in Nagano, Japan. (AP, Bloomberg)

## MALAYSIA: Anwar Is Ousted

Continued from Page 1

try's central bank. The bank's governor and his deputy resigned last Friday to avoid implementing the plan.

Analysts outside the country say Malaysia's plan can only work if companies that are not viable are shut down — not simply resuscitated with the cash that will be pumped into the economy.

"I'm very much afraid that this is an act of trying to avoid the tough steps that have to be taken," said Dave Carbon, chief economist for Asia at Credit Lyonnais Securities in Singapore.

The Malaysian economy has some real problems with it — things are broken," he said. "When the engine is broken and you step on the gas, the car just doesn't move."

Tim Condon, regional economist at Morgan Stanley, Dean Witter & Co. in Hong Kong, warned that lowering interest rates could flood the system with cash and lead to inflation.

If inflation accelerates and if savers are getting a negative return on their savings," he said, "there's going to be tremendous incentive to take your money and hold it in foreign assets." Only then would Malaysia's experiment be put to the test. Tuesday's rules are designed to discourage Malaysians from taking their money abroad. Indeed, they are banned from taking more than the equivalent of 10,000 ringgit out of the country.

But if the incentive to park savings abroad becomes too great — the currency becomes overvalued in the eyes of Malaysians — holes could emerge in Malaysia's new currency system.

"The incentive to cheat in these kinds of capital control regimes is a direct function of how overvalued your currency is," Mr. Condon said. "By pegging, they've made it easier for the currency to become overvalued."

Opposition to the currency controls ran deep at the com-

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## SPORTS

## 2 McGwire Homers Break League Record

No. 57 Surpasses Hack Wilson's Total in 1930

By Ross Newhan  
Los Angeles Times Service

**MIAMI** — Mark McGwire has buried Hack Wilson under 922 feet of home runs rocketing to within four of the major league record 61 hit by Roger Maris in 1961.

The St. Louis Cardinal first baseman slugged his 56th and 57th home runs Tuesday night in a 7-1 victory over the Florida Marlins to break Wilson's National League record of 56. It was set in 1930, a remarkable season in which the Chicago Cubs outfielder also established the major league record of 190 runs batted in.

A crowd of 37,014 at Pro Player Stadium, where the disbanded and dispersed Marlins have attracted few fans and fewer reasons to cheer, responded to McGwire's two home runs with thunderous approval, prompting curtain calls after each and more waves when he took his position to renewed ovations.

"It's a pretty awesome feat," McGwire said when asked what it meant to break the National League record. "I didn't realize until the other day what the record was. It's totally exciting. Everyone in the dugout hopped me and the fans of South Florida gave me two curtain calls. There is no greater feeling for an athlete."

The next major objective, of course, is Maris. McGwire said: "I know it's going to be tough. As I've said a thousand times, hitting home runs isn't easy. The pitchers don't put the ball on a T for you. I want to just enjoy this right now. Only one person knows if it's meant to be, and that's the man upstairs."

With 57, McGwire is two home runs ahead of the Cubs' Sammy Sosa in this duel.

Every time Sosa mounts a challenge, as he did by tying McGwire with his 55th home run Monday night, McGwire seems to respond. But he insisted that he isn't motivated by what Sosa does.

The Cardinals' manager, Tony LaRussa, said he believes that's true.

"Mark has such incredible discipline and is so focused that he doesn't need Sammy and doesn't need a target number," LaRussa said.

LaRussa said he believes both McGwire and Sosa will pass Maris.

"Based on what they've done the last five months, I think they'll both hit 70," he said. "The only thing that might stop either one is not getting the at-bats."

Livan Hernandez, 23, a hero in the distant memory that was the Marlins' World Series victory last year, and veteran Don Pall, 36, chose to challenge McGwire on Tuesday, with painful results.

McGwire had a single in three at-bats against Hernandez when he opened the seventh inning by hitting a 1-1 fastball on a towering trajectory toward the blue canvas batting eye stretched across the field-level seats in center field.

The ball came down an estimated 450 feet (137 meters) from the plate, a bludgeon shot compared to the 545-foot blast that McGwire hit off Hernandez on May 16 at Busch Stadium — as young and oldsters scrambled perilously across the tarp in pursuit of the ball.

Many of those same fans were already on the tarp and waiting when McGwire provided another souvenir off Pall in the ninth, breaking the Wilson record by clapping a first-pitch forkball an estimated 472 feet.

"I didn't want to be part of history," said Pall. "There are a lot of mass murderers out there who are part of history."

**The Associated Press reported:**

In Chicago, Sosa went 0-for-4 with three strikeouts, but Mark Grace, who bats after Sosa in the Cubs' lineup, broke a 4-4 tie in the eighth with a homer that put Chicago ahead to stay.

"I had a bad day," Sosa said after the Cubs beat Cincinnati, 6-5. "You're not going to do it all in one day. I'll come back out tomorrow and maybe I can have the same kind of day Mark McGwire had. I'm pulling for Mark. I want him to get the record first."



Mark McGwire connecting against the Marlins for his 56th home run.

## Wells Is Nearly Perfect, Getting a 2-Hit Shutout

The Associated Press

As David Wells retired batter after batter, a familiar excitement filled Yankee Stadium.

Wells, who pitched a perfect game against the Minnesota Twins on May 17 at Yankee Stadium, retired the first 30

### BASEBALL ROUNDUP

Oakland batters Tuesday before he gave up a hit to Jason Giambi with two outs in the seventh as the Yankees beat the Athletics, 7-0, on Tuesday night.

Wells (17-2) hung a 0-2 curveball that Giambi hit softly into center field for a single.

Wells, 11-0 at home this season, struck out a season-high 13 to go with his two-hitter. He has five shutouts this year, tying Atlanta's Greg Maddux for the major league lead, and has seven complete games.

The Yankees got their 99th victory in their 136th game. The 1954 Cleveland Indians hold the American League record for reaching 100 victories fastest, getting No. 100 in their 140th game.

**White Sox 5, Orioles 3** Albert Belle set a club record with his 42d home run and drove in four runs as Chicago strolled Baltimore to its ninth straight defeat.

Belle's fourth-inning solo shot off Doug Drabek broke the White Sox single-season mark, set in 1993 by Frank Thomas. His three-run double in the ninth gave him 337 total bases, breaking the club record of 336 set by Joe Jackson in 1920.

**Mariners 12, Red Sox 3** Reliever Derek Lowe's throwing error led to two unearned runs to put Seattle ahead in the seventh inning as the Mariners won for the first time in Boston this season.

**Tigers 12, Rangers 8** Deivi Cruz broke a tie with his first grand slam as Detroit beat Texas a few hours after the Tigers' manager, Buddy Bell, was fired and replaced as an interim basis by a coach, Larry Parrish.

**Indians 7, Angels 6** Mark Whiten singled in a run in the ninth to push Cleveland past visiting Anaheim.

After Richie Sexson failed for the

second time in the game to sacrifice with runners at first and second, Whiten lined the game-winning hit to left-center to score David Justice.

**Twins 6, Devil Rays 5** Matt Lawton's two-run triple in the bottom of the 10th inning gave Minnesota a victory over Tampa Bay.

**Blue Jays 2, Royals 1** In Kansas City, Alex Gonzalez and Shannon Stewart homered and Chris Carpenter allowed four hits in seven innings as Toronto won its fifth straight.

**Padres 9, Mets 8** In San Diego, Quilvio Veras drew a bases-loaded walk to force in the go-ahead run in the seventh after the Padres had allow New York to come back from a 6-1 deficit.

**Trevor Hoffman pitched the ninth for his 45th save, breaking the club record set by Mark Davis in 1989 en route to his winning the National League Cy Young award.**

**Greg Vaughn** hit his 46th and 47th homers, went 3-for-5, drove in three runs and scored three times.

**Giants 8, Expos 7** Joe Carter hit his first homer in 40 career at-bats as a pinch hitter, a three-run drive that sparked a seven-run sixth inning as San Francisco rallied from a 5-1 deficit at home.

**Braves 6, Astros 4** Javy Lopez homered for his fourth straight game, a three-run drive in the fourth. After visiting Houston rallied to tie it at 4-4, Ozzie Guillen drove in the winning run with a two-out single in the sixth.

**Rockies 12, Brewers 3** Jamey Wright (8-2) allowed five hits in six innings to set a career high for victories, and Darryl Hamilton hit a three-run homer as Colorado won in Milwaukee.

**Mike Lansing** drove in two runs for the Rockies, who scored four runs in the eighth after a 1-hour-12-minute rain delay and three more runs in the ninth.

**Dodgers 2, Phillies 2** Israel Valdes, making his first appearance in more than five weeks, scattered five hits in seven shutout innings at Dodger Stadium.

**Diamondbacks 4, Pirates 3** Omar Daal struck out 12 batters in eight innings and visiting Arizona won its fourth straight, tying the club best.

### usage Table

#### SCOREBOARD

##### BASEBALL

###### MAJOR LEAGUE STANDINGS

###### AMERICAN LEAGUE

###### EAST DIVISION

###### W-EAST

###### WEST DIVISION

###### CENTRAL DIVISION

###### NATIONAL LEAGUE

###### EAST DIVISION

###### W-EAST

###### CENTRAL DIVISION

###### W-CENTRAL

###### W-DIVISION

###### W-NATIONAL

###### W-CENTRAL

###### W-DIVISION

###### W-CENTRAL

### SCORING

#### HOME RUNS

##### HOME RUNS

###### HOME RUNS

### HOME RUNS

#### HOME RUNS

##### HOME RUNS

###### HOME RUNS

### HOME RUNS

#### HOME RUNS

##### HOME RUNS

###### HOME RUNS

## ART BUCHWALD

*Kremlin Tête-à-Tête*

**N**EW YORK — What happens when a great man of the West meets a great man of the East?

"Ah, Mr. President. It is so nice to have you in the Kremlin. Can I offer you a glass of vodka?"

"That would be nice."

"That was a joke — we

have no vodka. Ever since the ruble had a free fall, we can't find any in Moscow. What about a tea bag? These were only used once by the chancellor."

"That sounds good."

"It would be good if I had any lemon to offer with it. Mr. President, things are not going well here. Do you see those security men standing around to protect me? Well, they wouldn't make a move if someone threatened me."

"Why not?"

"They haven't been paid in three months. All they do is stand around and stare at me. I wouldn't count on the security people whom we as-



"Well, Boris, I hate to say this, but it isn't America's problem."

"It is in this respect. The banks that took the nosedive were American banks. They bet on our caviar, which wasn't the smartest thing for them to do. By the way, would you like to buy the czar's crown jewels?"

"I don't think so."

"How about a dacha outside of St. Petersburg or a dozen nuclear missiles?"

"I promised Congress I would not buy anything on my trip."

"So why did you come to Russia?"

"After what happened to me in the last few weeks, where would you go?"

## 2 Strikes Against Howard Stern

The Associated Press

**L**UBBOCK, Texas — Stations here and in Phoenix, Arizona, have pulled the plug on Howard Stern's two-week-old television show, calling it "morally offensive" and "cruel."

Stern's show has featured a lap dance performed by a naked woman, a female bodybuilder groped by Stern and an interview with O.J. Simpson in which he was asked for tips on removing blood stains from clothing.

Larry Landaker, vice president of KJTV, the Fox TV affiliate in Lubbock, said: "At some point you have to ask yourself, 'Does this have any value at all? We're not trying to be moral gatekeepers of the community but this show is morally offensive and impossible to defend."

Sue Schwarz, vice president of programming at KTVK in Phoenix, said Stern was pulled because the episodes broadcast so far contained cruel segments. "What played on the radio, and perhaps might even be funny on the radio, once you added video took on the feeling of being cruel," she said.

By David Streitfeld  
Washington Post Service

**K**RAKOW, Poland — The most popular poet in America lives in an ugly new concrete building on the outskirts of that alluring old city. Her apartment is comfortable but plain; her writing desk has a view of the parking lot. She speaks only one word of English.

"Whiskey?" asks Wislawa Szymborska.

It is nearly impossible to get here. Only good friends have her phone number. As a further screen, the voice on the answering machine is her male assistant's. The buzzer for her apartment has a name that is not hers. It's as if she's in hiding.

"This is really a small town, and sooner or later you run into everybody — in a bookstore or at a poetry reading or in the central square," says Magda Heydel, a Krakow translator who is serving as interpreter today. "But no one ever runs into Szymborska."

In 1996 she won the Nobel Prize for literature, and now everyone wants to see her while she, as usual, wants to see no one.

Her popularity in America — one collection has sold more than the latest by Norman Mailer, Gore Vidal and John Updike combined — is a source of special wonder. Poetry is such a private thing, and Polish such an obscure language — and now to hear that her poems are being sold in this coffee shop chain called Starbucks. It's very strange.

One day long ago, she appeared before two audiences. "After the first reading, someone said, 'Why are your poems so sad? We need some consolation, some humor in life,'" she remembers. "And at the other reading, with the same poems, someone said, 'Why are your poems so happy and funny, when life is so sad?' I concluded that this was what I was aiming at — poems that are ambiguous, that are both happy and sad, like a coin with two sides."

But this is about as far as she'll go in analyzing her work. Instead she busies about, supplying juice,

coffee, cookies and finally Armagnac, although it's not quite noon.

Anything to avoid talking about verse. It's downright puzzling. Poets are usually the fiercest advocates for the worth of their work, if only because no one else is interested in the job. Szymborska's compatriot Czeslaw Milosz once wrote: "What is poetry which does not save Nations or people?" and answered scornfully: "A connivance with official lies ... Readings for sophomore girls."

Yet Szymborska, despite her popularity and that Nobel, is diffident. "If my poetry is useful in any way, if it helps people, I'm very happy. But poetry is not the most important thing in life. In any human life, there's a lot of important things. You can't say there's just one."

Even pressed on this point, she doesn't yield. "I believe in poetry," she says, "but just a bit."

From the beginning she was successful. "My father liked funny little poems. If I composed anything, I got some pocket money. You could say I started making my living as a poet from the age of 5." She smiles. "He didn't notice that sometimes I gave him the same poem twice."

Born in 1923, she moved here with her parents when she was 8. She attended Jagiellonian University, the best in Poland, and became part of a writers' circle. In 1945, her first published poem appeared.

Almost one-fifth of the country's population was killed during World War II; a vibrant Jewish culture sufficed. All this changed the poets. The flowery language, a style a decade earlier was deemed too artificial, too formal, too lyrical in the face of all this devastation. A plain-spoken approach was considered the only honest one.

Meanwhile, it was the bright new communist day. By 1949, Szymborska had published enough to fill a first collection, but her work didn't betray enough reformist zeal. The book was rejected. Three years later, she was able to sing the socialist song well enough to permit the appearance of her first book,



Wislawa Szymborska: "I believe in poetry. But just a bit."

Jack Bedarczyk/POLISH PRESS AGENCE

"That's What We Live For," that would have been unthinkable. Those who have read it describe it as toeing the Stalinist line.

"During the period of captivity, it was the duty of the poet to speak for the nation," Szymborska notes. She was a believer: She wanted to save humanity, which after all those wartime deaths badly needed saving. Communism was full of promise and promises.

By her second book, "Questions Put to Myself" (1954), there is already the beginning of a shift from the collective to the personal, from following orders to challenging them, starting with the title. Her third book, "Calling Out to Yeti" (1957), compares Stalin to the Abominable Snowman, something

In the main, though, it has been a quiet life. Even as Szymborska's work kept getting better and her fame was spreading in poetry circles, she declined to go much of anywhere.

In an era when most of the very

best poets measure their sales in four digits, and when the poetry reading is the means by which those few sales happen, it is truly weird that the first of those books has now sold more than 100,000 copies.

None of Szymborska's books in any language are visible in her living room, nor is any other sign of celebrity. If she's discreet about her private life, much of it is clearly spent reading.

"The book is above theater and cinema, which give to the spectator and the listener ready-made pictures and images," she says. "People with lazy imaginations, or those who are devoid of imagination, go to theaters and cinemas, but nothing happens after. The book needs the cooperation of its readers. They must make the images themselves. That makes the book superior."

Robert Hass, the former U.S. poet laureate, saw her on a panel in Krakow about a year ago. "She looked grim, as if this were the one place in the world she least wanted to be," he recalls.

She says: "Everyone sees me in some role I'm not eager to take. I don't want to be an official person. It's a disaster for writing. Everyone thinks poems are written somewhere as a side activity, and that I'm a public person and I'm owned by the public."

The wheel has come full circle: For decades she wrote poetry and was barely known. Now she's well-known and doesn't write poetry.

The interview concluded, the poet visibly relaxes. More Armageddon all around. On the way out, her assistant stops to check the day's mail. The box is filled to bursting with postcards and letters from fans around the world who have somehow gotten this address.

From "The Century's Decline": "How should we live?" someone asked me in a letter.

I had meant to ask him

The same question.

Again, and as ever,

as may be seen above,

the most pressing questions

are naive ones.

## PEOPLE



**BOND MEMORIES** — The bowler hat worn by the character Oddjob in the James Bond film "Goldfinger" and prop bullets engraved with "007" are among the items to be auctioned Sept. 17 by Christie's in London.

**A**FTER an 18-year bureaucratic battle, France on Wednesday granted nationality to Alexander Ginzburg, the former Soviet dissident, journalist and writer. The government's refusal to grant Ginzburg nationality came to fight in July after a civil servant, whose name was not given, wrote to the conservative daily *Le Figaro*. The subsequent discussion of the case attracted international political and media attention, prompting two government ministers to promise that Ginzburg's file would be reopened, *Le Figaro* said.

At the 52d Edinburgh International Film Festival, John Maybury's "Love Is the Devil," about the British painter Francis Bacon, took the award for the best new British feature, and its stars, Derek Jacobi and Daniel Craig, playing Bacon and his lover, shared the performance award.

A 230-pound woman who was denied a chance to strip at a Winnipeg area

nightclub said she planned to take the establishment "to the cleaners" if it does not apologize. Sherry VanRooy, aka Scarlet, said she was humiliated when the disk jockey at the club, in the Balmoral Motor Hotel, refused to allow her on stage on amateur night. "He said I'm overweight, I'm fat and an embarrassment and disgrace to the hotel."

The nightclub said too many women

wished to participate in the event, and it was forced to turn VanRooy, 29, and her husband away.

Britain's new vice-consul on the Spanish island of Ibiza says that unlike her predecessor, she is proud to be British and does not disdain tourists from the United Kingdom. "All Britons are

not hoodlums," Helen Watson, 47, said at a news conference before starting her new job. Watson, who has lived on the island for the past 10 years, took over the job after her predecessor, Michael Birkett, quit in a huff out of "disgust" at fellow Britons after spending 18 months watching vacationing young British "degenerates." The chief tourist officer in the Balearic Islands called the former vice-consul's remarks trivial, pointing out that only 3 million of the island's annual 10 million visitors are British.

Barcelona's Fashion Cafe closed its doors permanently this week — never mind a notice on its doors claiming it was "closed for renovation." The Spanish representatives of the restaurant chain owned by the supermodels Claudia Schiffer, Naomi Campbell and Elle McPherson have officially acknowledged that "business reasons" led to a permanent closure. They would not elaborate, but news reports said the company was bankrupt.

# (put on a happy face)

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